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FOURTH SESSION—TWENTY-EIGHTH PARLIAMENT

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HOUSE OF COMMONS

Thursday, February 17, 1972

FOURTH SESSION—TWENTY-EIGHTH

PARLIAMENT—OPENING

The Parliament which had been prorogued on the sixteenth day of February, 1972, met this day at Ottawa for the dispatch of business.

The House met at ten-thirty o'clock, the Speaker in the chair.

Mr. Speaker read a communication from the Secretary to the Governor General, announcing that His Excellency the Governor General would proceed to the Senate chamber at 10.35 a.m. on this day for the purpose of formally opening the fourth session of the twenty-eighth Parliament of Canada.

A message was delivered by Major A. G. Vandelac, Gentleman Usher of the Black Rod, as follows:

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

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

• (1140)

And the House being returned to the Commons chamber:

* * *

OATHS OF OFFICE

Right Hon. P. E. Trudeau (Prime Minister) moved for leave to introduce Bill No. 1, respecting the administration of oaths of office.

Motion agreed to and bill read the first time.

* * *

• (1150)

[*English*]

SPEECH FROM THE THRONE

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

Honourable Members of the Senate:

Members of the House of Commons:

This reunion of your two Houses with the Representative of the Crown marks the beginning of the 4th Session of the 28th Parliament of Canada.

Before proceeding to the business of the new Session I should like to thank you in the name of our Queen and on behalf of all Canadians for your efforts and accomplishments during the long 3rd Session which began the 8th of October 1970 and was concluded only yesterday.

During that period there was a continuing celebration of centennials connected with the foundation of the Canadian Confederation. Manitoba and the Northwest Territories concluded ceremonies which marked the 100th anniversary of their incorporation into the Dominion. The admission of British Columbia, which gave Canada its place on the Pacific Ocean, was commemorated in 1971 with much enthusiasm and a multitude of ceremonies and projects. As in the year before, our gracious Queen and other members of the Royal Family marked the event with an extensive tour, much to the delight of British Columbians and Canadians generally.

It gave my wife and me much satisfaction to take official part on several occasions in the British Columbia celebrations, as well as to travel abroad on behalf of Canada to The Netherlands, Belgium, Luxembourg and Iran, in response to invitations from the heads of these States so well disposed towards Canada.

Since last I addressed you some 16 months ago, events in Canada and elsewhere have continued to demonstrate the turbulence of this age of changing values and shifting attitudes. We have witnessed with sadness outbursts of violence beyond our shores as despairing men and women have chosen to settle their differences through the use of force, extending in some cases to actual war. We have witnessed as well a period of international economic uncertainty which affected all of the industrialized nations of the world and which has made us increasingly aware of our dependence on a strong economic base in the pursuit of our social goals.

We learned in months gone by that Canada was not immune from internal pressures. In October, 1970 one of the most difficult national challenges in many years was met calmly, with discipline, and with the strong support of the people of Canada. There were sad moments but there were also memorable examples of resoluteness and courage.

More recently, we learned from another type of challenge, this time of an economic nature and coming from without rather than within, that Canada and Canadians possessed the stamina and the resilience to overcome this form of adversity as well.

Throughout, pressures for change around the world emphasized to us that the excitement and the promise of modern technological achievements become hollow and mocking to those who find in society little understanding of their hopes and little provision for their needs. In a period dominated by bigness, in an increasingly impersonal social system, one of the major challenges facing government is to remove the impression of isolation which so often surrounds men and women, depriving them of their sense of worth, of accomplishment, of fulfilment, and removing from them their identity as individuals.

Isolation takes many forms in Canada—physical distance, social stigma, economic deprival. In each of those forms it represents a degree of rejection, of exclusion, of estrangement. This country fails in its essential purpose if it does not ensure that its most precious resource, human talent, is not wasted away. Our challenge is to remove the barriers that create isolation, to permit each Canadian to detect—even if not always able to fulfil—his own potential, to ensure that his image of Canada is one of promise and compassion.

Every one of us is enriched through involvement in this stimulating process we call Canada. Our goals and hopes are bound up in the restlessness and vitality of this rich land. We in this place have a special responsibility to help bring these goals and those hopes within reach, to make real the Canada of which our forefathers dreamed: a land so large that some of it will remain always serene and unspoiled; a society which believes in the dignity of every single individual; a community which husbands its resources and shares them justly among this generation and those to follow; an enterprise which permits and provokes each Canadian to contribute his skills and his talents.

There will be opportunity in this session of this parliament to pursue these ends. The Government will lay before you proposals to continue the development of our national wealth, to deal more compassionately with those in our midst who require help, to involve more Canadians in the ferment and satisfaction of community activities, to protect our natural heritage, and to strengthen our sense of identity and our image of ourselves.

* * *

Economic security is one of the most effective forces with which to counter social isolation. Job opportunities must be found and income uncertainties overcome if all Canadians are to share in the richness of this land. To permit the protection and enhancement of those values and those rights which distinguish Canada as a human place, a sound economy is absolutely essential. The attainment of such an economy retains a high priority in the Government's continuing programme. The social phenomenon of economic instability is present today in every industrialized country. We are fortunate that its ill effects have been less pronounced in Canada than elsewhere. Our success in increasing our real gross national product, in the creation of new jobs, and in the maintenance of price stability has been achieved through a policy which encourages an economic environment within which business and all elements of society are able to benefit. At the same time the Government has worked to strengthen and promote the economies of the less developed regions of Canada. Simultaneously, a range of programmes has been introduced to deal with the specific problems of those localities and individuals affected by unemployment at different times of the year.

Unemployment continues to be a matter of intense concern to the Government and will remain a primary focus of attention and action. Co-operation with the business and industrial communities will be extended even further to ensure a favourable business climate. As the economy continues to gain momentum, the private sector will be able increasingly to provide jobs for those Canadians in need of them. The Government will nevertheless redouble its efforts to make sure that as many jobs as possible are available and that the fullest possible use is made of the skills and initiatives of those who are seeking work. It will at the same time continue to exert its influence to prevent the erosion of incomes through the maintenance of reasonably stable prices of the goods and services required by Canadians.

Our economy is dependent, as are the economies of all industrialized countries, on the imagination of entrepreneurs and their use of research and innovation, as well as upon a rational industrial strategy. You will be informed in months to come of government proposals for improved policies in these areas which will be of immense importance to the long term development of our country: of policies for the use of science and technology designed to contribute not only to industry but to the qualitative improvement of the life of Canadians, of an industrial strategy prepared for the peculiar character of the Canadian economy. The basis of each will be spelled out as the session proceeds.

For more than a decade an issue which has attracted increasing interest and growing debate in this country has been that of the control of our economic environment. The debate has emphasized the dual aspects of Canada's identity and of economic benefit for Canadians. Further steps will be taken towards the resolution of this issue.

These policy proposals have been designed with a blend of realism and imagination, as Canada itself was designed more than a century ago. They are intended to permit this country to attain a degree of leadership and independence in selected fields of endeavour while reducing overall Canadian vulnerability to events both expected and unexpected from beyond our shores.

A further imperative in the structuring of strong, internationally competitive industry is the development of a modern and workable competition policy. The development of such a policy, designed to achieve an efficient and innovative economy, capable of rapid growth and dynamic change, must proceed through consultation with all sectors of Canadian society. During the coming weeks the Government will continue this consultative process and will place before Parliament a revised policy reflecting the informed and constructive comments received and assistance gained.

A major factor in the strength of the Canadian economy is provided by exports. The Government will pursue vigorously the initiatives it has taken throughout the world to develop and maintain Canadian markets. Those advantages already gained by ministerial missions to other countries will be enlarged in a number of ways. One of these will involve the provision of better credit facilities. The private financial sector will be encouraged to involve itself increasingly in export financing. The Government will continue to develop programmes to strengthen secondary industry. Closer scientific and technological co-operation with other countries can be expected. Trade negotiations will seek to enlarge opportunities for Canadian manufacturers and the consultative machinery with the European Economic Community and its member states will be strengthened. Negotiations will continue with the United States so as to extend the benefits gained by each member of the world's most important trading partnership.

Policies designed to promote a related, yet distinct, sector of the economy—tourism, will be revealed in coming weeks.

A basic building block in the growth of Canada's national wealth has been the performance of our resource and energy industries. Over the years they have opened new frontiers and stimulated the development of the sinews and muscles of Canada; they have accumulated capital for reinvestment, enhanced the scientific and technical skills of Canadians, and accounted for a healthy export surplus. A continuation and strengthening of government-industry relations is necessary in order that such areas of challenge as environmental impact and the increasing demand both within Canada and abroad for resources and energy be fully addressed.

The competitive requirements for northern development will continue to be recognized; development will not be permitted at the expense of the northern peoples and the northern environment. To ensure the involvement of the residents of the north, and their participation in the design of their own future, there will be continued support for the development of local government in the northern territories.

Canada's primary food producers—our farmers and our fishermen—form one of the traditional and still basic strengths of our economy. Their continued productivity and livelihood is of immense importance to the Government and to the country. Improvements and achievements of the past several months will be strengthened and continued. Measures already undertaken and which have substantially improved prices to fishermen—upwards of 50 percent in some cases—will be extended, ensuring that the benefits of price support for fish products go to the fishermen themselves. Wheat farmers will be assured of an increased return equivalent to the higher price for wheat consumed as food by Canadians. To avoid distortions in food prices, the cost of this programme will be borne by the Treasury rather than by the consumer; to avoid distortions in production, a formula for distribution will be proposed which relates payments to grain acreage rather than to actual wheat production. The Government will assist further the position of farmers and fishermen through the implementation of several programmes. It proposes the establishment of new national marketing agencies and the implementation of a small farm development programme. The recent extensions of fisheries closing lines will permit the Government to engage more actively in the management of its marine resources so as to increase the supply of fish available to Canadian fishermen in the waters off our coasts.

Both the effectiveness and the quality of any programme for the provision of services to Canadians depends increasingly upon a

harmonious fiscal relationship between the Federal government and the governments of the ten provinces. Legislation will be introduced, therefore, proposing the renewal and improvement of equalization arrangements, increasing to 100 percent the level of stabilization of provincial revenues, and a number of other items. These will include the administration on behalf of requesting provinces of succession duties and gift taxes, the extension for two years of the transfers to provinces respecting post-secondary education, the provision of a five-year revenue guarantee to provinces to protect their income tax revenues under the new system, and the sharing with provinces of the special tax on undistributed corporate income.

As a further protection against the isolation of individuals caused by economic deprivation, the fundamental reform of protective measures which commenced last year with the new Unemployment Insurance Act will continue. A new Canada Labour Code, reflecting the many representations received in past months, will be introduced as will important amendments to the Fair Employment Practices Act. The Canada Manpower programmes will be improved and additional steps will be taken to make the training and placement services adequate to the needs of specially disadvantaged people whose particular problems present challenges which cannot be met with the use of regular programme resources or techniques. For those persons seeking to further their education, the loan limits under the Canada Student Loans Act will be raised, permitting students to borrow more within a given year and increasing significantly the total amount available under the programme.

* * *

The isolation which a product of social injustice is less well understood than that which comes from economic denial. Nevertheless, its consequences dare not be ignored by any society. The irony of isolation in an urban surrounding cannot be resolved by any single act. One essential, however, is the provision of adequate housing of high standard to all Canadians. More dwelling units were started in 1971 than in any single year in our history, including a record number for lower income families. It is clear, however, that Canada's housing needs cannot be met only through increases in scale. What is required, and what the Government will be proposing, are fresh concepts, continuing research, and imagination in neighbourhood improvement with emphasis on the need for low cost housing.

In order to achieve our goal of full participation by all members of society, all barriers leading to isolation must be removed. We cannot invite respect for our laws and support for our institutions from persons to whom they are irrelevant or ineffective. Government activities must reflect the needs of all Canadians, not only the favoured. A giant step in this direction was taken with the adoption last session of tax reform legislation which spreads more evenly the burden of social services on those Canadians best able to bear it. Another step, and long overdue, consists of policies to ensure the equality of women in Canadian society. These will be announced this session.

Protective steps will be proposed in a number of areas of wide concern to Canadians—the non-medical use of drugs, compensation for victims of crime, and the protection of privacy. Progress toward more humane treatment of offenders will continue with further reforms in the penal and parole systems. Amendments will be proposed for reforms in the administration of the criminal law. The Government is committed as well to federal participation in legal aid subject to satisfactory cost-sharing and administrative details being worked out.

It is the view of the Government that the most important single factor in the attainment of individual dignity and active social involvement is the assurance of a secure income. Considerable progress towards the goal of a total income security programme for all Canadians is achieved in the new Family Income Security Plan bill which will be presented for your consideration. The emphasis in this plan is on protection and is consistent with the Government's belief in the strong sense of self-reliance of Canadians.

The pride with which Canadians regard this country and which inspires them to identify with it springs from many sources. Some of these are physical in nature, some cultural, still others are economic. Canadians find in the vast spaces of this land, in its rugged coasts, in its throbbing vitality and in its serene tranquility something of themselves. It is the intention of the Government that immense areas of Canada be preserved in their natural state for the enjoyment of this generation and of generations to come. For the first time some of the grandeur and the wilderness which is Canada's north will be guaranteed perpetual preservation through incorporation into the National Parks System. You will be asked to approve legislation which will create three new parks north of the 60th parallel, each as large and as spectacular as any in the world. These three parks, plus the seven new parks created since 1968, mean that for the first time in our history every province and territory will include within it a national park for the benefit of our people.

Companion legislation will be introduced to provide wildlife habitats and to protect certain endangered wildlife species.

While taking care to preserve for the future, we should, wherever possible, preserve and restore those achievements of the past which are an essential element in our self-understanding as a people. You will be asked to consider, therefore, a bill creating and endowing a corporation to be known as Heritage Canada which will go far to ensure the preservation of items and collections from Canada's past and to make these accessible for the enjoyment and understanding of Canadians in all parts of the country. Heritage Canada, complemented by a broadened National Museums policy, will demonstrate the achievements of our fore-fathers and their successes in overcoming physical isolation and in converting dreams into reality.

Still another form of isolation springs from indifferent communications services. It is a matter of concern to the Government that at this moment many communities do not receive the natior al broadcasting service and that some one million Canadians in 260 communities receive no television service in their own language. The Government proposes, therefore, that the C.B.C. be authorized to extend its services in a comprehensive fashion and to utilize the capabilities of Canada's pioneer satellite communications system to assure within a five year period that at least 98 percent of Canadians are served.

* * *

The standards against which a society is judged by others and by history are often those chosen by the society itself. The image it projects, the values to which it adheres, the treatment it accords the disadvantaged in its midst; these are matters for each society to determine, and in determining to be judged. In our relations with one another, in federal-provincial relations, in Canada's relations with other countries, our values are both guides and distinguishing features. Canada is committed to the betterment of life for all, to the resolution of differences by reason not force, to the practice of tolerance, to the acceptance of love and understanding as the most important of human traits. The Government, therefore, will continue to participate fully in international efforts for peace and for the well-being of people everywhere. It will continue to do what it can on behalf of the Canadian people to assist those who are afflicted by calamities, both natural and man-made.

The fluidity in world affairs marked by events in the past months and those expected in the near future present to us an opportunity to deepen and enrich our relationships with our old friends and to seek and strengthen friendships with others both within and without the councils and agencies of the United Nations. Isolation within the international community is as barren and damaging as is isolation within a domestic society. The visits to Canada in 1971 of such distinguished Heads of State and Government as the Presidents of Yugoslavia, Nauru and Niger, and the Prime Ministers of the United Kingdom, the Soviet Union, Ceylon, Ghana, Malaysia, Fiji, Senegal, and Israel illustrate the universality of Canada's attitude to the world.

Canada's lines of communication and understanding continue to stand open in all directions. In particular, our ties with our friends in the new Europe and our attachment to the United States remain of the greatest importance. A United States which is strong,

dynamic and outward looking is vital to the success of Canada's international endeavours and to our ability to contribute to the well-being of fellow Commonwealth countries and of those states in receipt of Canadian economic assistance including the fellow members of l'Agence de Coopération culturelle et technique des pays francophones to whose important conference we acted with pride as host last autumn. The Government and all Canadians anticipate with considerable pleasure the visit to Canada this spring of the President of the United States and Mrs. Nixon.

* * *

Our age is marked by inconsistency. Within our societies, the trend all too often is toward increases in size and of impersonality in human relationships while on the planet itself the speed of communication has created a new intimacy among nations. In these circumstances, there is both challenge and opportunity for governments and for individuals. Canada is seized of the challenge. The Government pledges itself to turn the opportunities to the benefit of individual Canadians.

* * *

Members of the House of Commons:

During this Session, you will be asked to grant the necessary funds for the services and expenditures authorized by Parliament.

Honourable Members of the Senate:

Members of the House of Commons:

The Prime Minister will lay before you today a list of bills that will be submitted to you during the Session.

May Divine Providence guide you in your deliberations.

[*Translation*]

Right Hon. P. E. Trudeau (Prime Minister) moved:

That the speech of His Excellency the Governor General, delivered this day from the Throne to both Houses of Parliament, be taken into consideration later this day.

[*English*]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise to say a few words on the motion just presented by the Prime Minister. I should also like to move an amendment to it. I realize that the amendment I shall propose may seem to ask for something that is a bit unusual on the first day of a session. However, may I point out that in actual fact this is the second day in a row that we are here and, with the way things are now planned, there will be no question period and no opportunity for members of the House to say anything until we are present on the third day. Since there was no question period yesterday, I believe there should be one today. I therefore move, seconded by the hon. member for Vancouver East (Mr. Winch):

That the motion be amended by adding at the end thereof the following words: "immediately after a forty minute oral question period, as provided by Standing Order 15".

Mr. Speaker: Order, please. The House has heard the amendment proposed by the hon. member for Winnipeg North Centre. As hon. members may suspect, obviously there are some procedural difficulties connected with an amendment of this type. It might be construed, I suggest to the House, as a substantive motion. However, I should not like to rule on it immediately. If hon. members want to give their views, I will hear them and then rule on whether the amendment proposed by the hon. member is in order.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I first point out that the motion that was proposed by the Prime Minister must have been moved with the consent of the House. The Prime Minister moved it without having given any advance notice. It might be suggested that there was no opportunity for him to do this; however, under the new rules he could have done so. Therefore I take it that he has moved it under the provisions of Standing Order 43 and has had the consent of the House to do so. The motion having been moved, it is a debatable motion and therefore an amendable motion. I point out that it must be the kind of motion that is referred to in Standing Order 32(p), namely, a motion for "the arrangement of its proceedings", the proceedings of the House.

May I also point out, Sir, that Standing Order 15 provides the order of business for each day of the House. This is a Thursday. On Thursday, according to Standing Order 15, immediately after routine proceedings we are supposed to have oral questions for 40 minutes. The motion that the Prime Minister moved, of which he gave no notice and which the House allowed him to present, would set aside that right of the House on Thursday for an oral question period of 40 minutes. I submit, therefore, that since the question of the proceedings of the House for today, brought before us by the motion, has been brought before us in a way that is out of the ordinary, it is proper for the House to ask that the Standing Order be adhered to and that there be a question period.

Your Honour suggested that my amendment might be a substantive motion. I suggest that the substance of a question period is not introduced by my motion. That is already there, in Standing Order 15. I am simply asking for one of the rights and privileges of the House to be respected. That is why I ask that the words of any amendment be added to the motion so that we can proceed to consider the Speech from the Throne later this day, as the Prime Minister suggested, after we have had a regular, 40 minute oral question period.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I will not attempt to enlarge on the procedural arguments advanced by the hon. member for Winnipeg North Centre (Mr. Knowles). I will content myself with saying to Your Honour and the House that, as Your Honour will have gathered from what we attempted to do yesterday, I am substantially and thoroughly in agreement with the hon. member. I ask Your Honour, in considering your approach to this matter, to be vigilant in trying to find ways and means in order that the House should not be deprived for a second day in a row of its right to ask questions of the government.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, aside from the procedural aspect, I consider quite reasonable the suggestion brought forward by the hon. member for Winnipeg North Centre (Mr. Knowles) to the effect that we should have a question period today. The right hon. Prime Minister (Mr. Trudeau) could well accede to this suggestion of the hon. member for Winnipeg North Centre in order to avoid unnecessary discussion and so that we could, by unanimous agreement, have a 40-minute question period immediately upon resumption of the proceedings, if Your Honour so authorizes.

In any case, we consider the suggestion to be quite valid and most reasonable.

[*English*]

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, as I understand the tradition of this country and of this parliament it is that when, on the very first day of a session of parliament, an address is given by His Excellency, the representative of the Crown, it is the first duty of the Commons to consider that address.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. MacEachen: Today, the hon. member for Winnipeg North Centre (Mr. Knowles), in what can only be considered as a publicity-seeking move—

Some hon. Members: Oh, oh!

Mr. MacEachen: —has sought to interrupt what has been the tradition of this parliament since the very beginning. We have started a new session. What happened in the previous session is finished and over with. There has never been a request in any new session of parliament to have a question period before the address of His Excellency is considered by the House.

Some hon. Members: Hear, hear!

Mr. Baldwin: The country has never been in such a mess before.

Mr. MacEachen: If the hon. member for Winnipeg North Centre wishes to change the traditional form, if he wishes to alter the traditional courtesy that has been extended to the Crown by this House, then he ought to take the more direct method and move a motion at an appropriate time to send the whole question to the Standing Committee on Procedure and Organization for consideration. If he wants to dismantle the Speech from the Throne, if he wants to dismantle the address in reply, let him do it directly.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

An hon. Member: This is the year to support the Crown.

Mr. Speaker: Order, please. I do not wish to dismantle the minister's speech, but I would invite hon. members to limit their contributions as much as possible to the procedural aspect of the matter. I am not suggesting that this has been done necessarily by the other members who have participated in this brief debate. However, for the guidance of the Chair I think it might be useful to limit our debate at this time to the procedural question of whether this amendment is in order. I think that the substance of the matter, whether there ought to be or ought not to be a question period, is the substance of the amendment that is under consideration at the present time.

• (1200)

Mr. MacEachen: Mr. Speaker, I want to make one more comment. I think it ought to be underlined that never in the history of this country, never in the history of this parliament, has there been a request for a question period before the opportunity for the House to proceed to the consideration of the Speech from the Throne, which is the message of the Crown to this House. That is new. That is an entirely new request. It has never been made in this House.

The motion that has been put by the Prime Minister (Mr. Trudeau) is a form motion. It is not amendable. There is no way that the hon. member for Winnipeg North Centre can hope to amend this motion and ask the House at this point to vote on whether we should have a question period. Procedurally, it is absurd. It should not be considered. I am surprised. Maybe some day, probably a long time away, members of the opposition will sit on this side of the House.

Some hon. Members: Oh, oh!

Mr. Baldwin: Very soon.

Mr. MacEachen: When that happens and when we come from the other place, after they have laboured for many days to produce a message that will be considered by the House, they will say: No, let us not do that; let us have a question period for 40 minutes. This is the idea they have supported today. What has happened to the party of Macdonald, Borden and Diefenbaker?

Some hon. Members: Oh, oh!

Some hon. Members: Shame!

Some hon. Members: Hear, hear!

Mr. MacEachen: Mr. Speaker, the official opposition is taking its lead from the new republican, the hon. member for Winnipeg North Centre.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. Is the hon. member for Winnipeg North Centre rising for the purpose of asking a question?

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, before the minister resumes his seat I should like to ask him a question. The President of the Privy Council (Mr. MacEachen) said that our first duty out of courtesy to the Crown is to deal with the Speech from the Throne. May I ask him if he has forgotten the fact that the Prime Minister (Mr. Trudeau) has already introduced Bill C-1 to assert our right as a Commons to deal with our own matters first?

Mr. Speaker: Order, please. The hon. member for Edmonton West.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, it is not my intention to indulge or engage in polemics or a diatribe with the President of the Privy Council (Mr. MacEachen) who seems to be moved by some inspiration today that is rather contrary to that which should apply at this time.

I was going to raise the same point raised by the hon. member for Winnipeg North Centre (Mr. Knowles). I would simply add that the President of the Privy Council did make the allegation that it was traditional courtesy for

the House to consider the message from His Excellency as the primary matter of business for today. Our rules have always provided, and it has been traditional as long as the minister has sat in this House and long before, that the Prime Minister, on behalf of the House, should move the traditional motion involving the rather empty and symbolic bill regarding the administration of oaths of office merely to show that the House is the master of its business and is not taking direction from the message of His Excellency. I therefore suggest to Your Honour that that argument falls to the ground.

Second, if the matter of a question period looms larger today, the answer lay in the hands of the government yesterday. The government which through what would I call almost parliamentary sharp practice—

Some hon. Members: Oh, oh!

Mr. Lambert (Edmonton West): —decided to summon parliament back and to have Your Honour prepare and distribute an order paper with items of unfinished business listed thereon. But the treasury benches then directed that the messenger from the other place should arrive almost as soon as Your Honour entered the chamber. The treasury benches decided when that intervention should be made and, in saying this, I am not guilty of lese majesty or otherwise. If a question period had been granted yesterday, as it should have been, there would not have been this pressure today. On that score I say that the amendment put forward by the hon. member for Winnipeg North Centre is acceptable in principle for today's deliberations.

Some hon. Members: Hear, hear!

Mr. Speaker: I have to indicate to hon. members that in my view the contributions which have been made to this brief procedural debate have not been addressed principally to the procedural point. Hon. members have suggested that it might be proper today to have a question period, that there ought to be a question period today because there was not one yesterday, that it is the duty of the government to provide an opportunity for hon. members to ask questions, and that it is our duty to go on with Routine Proceedings. I suggest this does not have anything at all to do with the point that I brought to the attention of hon. members.

My suggestion when the matter was raised was that the amendment was not procedurally correct. I have not received much assistance from hon. members in this respect, and I think my ruling will have to be that the amendment is a substantive motion and is not an amendment which can be attached to the motion before the House.

Dealing with the matter in a substantive way, hon. members have suggested that we should proceed in the usual way with Routine Proceedings and that the motion made by the Prime Minister was made under Standing Order 43. With respect, I cannot agree with this suggestion. The motion was made on the basis of parliamentary tradition. My understanding is that this is the kind of motion which is proposed and the proceedings which we have today are based on 100 years of Canadian practice and, I am sure, many more years of British practice. I think the Chair has a responsibility to recognize this.

One hon. member suggested that perhaps this should be changed. That may be so. Hon. members may feel that on the first day of the session the procedure should be changed, that we should not have the formal motions that are made and should not proceed in the way that we do, without Routine Proceedings, to the consideration of the Address in Reply to the Speech from the Throne. I believe that one of the responsibilities of the Speaker is not to change these traditions but to protect them. I am prepared to do so in this particular case.

I am not suggesting that the motion cannot be amended. It could be amended. If a procedurally acceptable amendment were submitted for the consideration of the Chair, I would have no hesitation in putting the amendment and calling in the members. But my conclusion, and the ruling I must make is that the amendment proposed by the hon. member for Winnipeg North Centre cannot be accepted. Is it the pleasure of the House to adopt the motion?

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

Motion agreed to.

Mr. Trudeau: Mr. Speaker, I request leave of the House to table a list of the titles of the several bills which were referred to in His Excellency's speech. I would ask, Mr. Speaker, that this list be printed in today's *Hansard.*

Mr. Baldwin: Mr. Speaker, we would be prepared to give consent. However, to facilitate hon. members in studying this list, may I ask the Prime Minister whether the list showing all these bills will show which are carry-overs from the last session and which from the session before?

Mr. MacEachen: Would you also like to know the ones we will be doing next session?

Mr. Baldwin: In addition, I would like to ask the government, particularly the President of the Privy Council, if these bills will be brought forward shortly so that the House will not be compelled to wait, as it had to in the last session, for these bills to be produced so they can be examined?

Some hon. Members: Hear, hear!

• (1210)

Mr. Trudeau: Mr. Speaker, if the research assistants of the opposition were properly engaged rather than looking for ways to trample traditions concerning the monarchy and parliament—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The Prime Minister seeks permission to table a document and have it included in *Hansard* as part of today's proceedings. Is this agreed?

Some hon. Members: Agreed.

[*Editor's Note: The list referred to above follows.*]

1. A Bill to Amend the Criminal Code.

2. A Bill to Amend the British North America Acts 1867-1965.

3. An Act to Amend the Northern Canada Power Commission Act.

4. A Bill to Amend the Income Tax Act.

5. A Bill to Amend the C.N.R. Financing and Guarantee Act.

6. A Bill to Amend the Farm Credit Act.

7. An Act to Amend the Canadian Wheat Board Act.

8. Protection of Privacy Bill.

9. A Bill to Amend the Federal-Provincial Fiscal Arrangements Act.

10. A Bill to Amend the Explosives Act.

11. A Bill to Amend the Canada Labour Code.

12. National Parks Legislation.

13. Legislation respecting New Financing Mechanisms and Institutions for Residential Mortgage Market.

14. National Anthem Legislation.

15. A Bill to Amend the Fair Employment Practices Act.

16. A Bill to Amend the Canada Wildlife Act.

17. A Bill to Amend the Agriculture Exhibitions Assistance Act.

18. A Bill to Amend the National Housing Act.

19. A Bill respecting Heritage Canada (Heritage Trust).

20. Family Income Security Legislation.

21. Uranium and Thorium Legislation.

22. Competition Legislation.

23. Judges Act Amendments.

24. Medicare Legislation.

25. Adult Occupational Training Legislation.

26. A Bill to Amend the Industry, Trade and Commerce Act.

27. A Bill respecting the Territorial Courts of the Yukon Territory and the Northwest Territories.

28. Legislation on Foreign Ownership Policy.

29. A Bill respecting Cigarette Products.

* * *

INTERNAL ECONOMY COMMISSION

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

The Governor General transmits to the House of Commons a certified copy of an Order in Council appointing the Honourable Allan Joseph MacEachen, President of the Queens's Privy Council for Canada, the Honourable Charles Mills Drury, President of the Treasury Board, the Honourable Jean Chrétien, Minister of Indian Affairs and Northern Development and the Honourable Donald Stovel Macdonald, Minister of Energy, Mines and Resources, to act with the Speaker of the House of Commons as commissioners for the purposes and under the provisions of chapter H-9 of the Revised Statutes of Canada, 1970, entituled: An Act respecting the House of Commons.

* * *

[*Translation*]

HOUSE OF COMMONS

APPOINTMENT OF DEPUTY CHAIRMAN OF COMMITTEES OF THE WHOLE

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I move, seconded by Mr. MacEachen (Cape Breton Highlands-Canso) that Mr. Gérald Laniel, member for the electoral district of Beauharnois-Salaberry, be appointed Deputy Chairman of the Committees of the whole.

Motion agreed to.

APPOINTMENT OF ASSISTANT DEPUTY CHAIRMAN OF COMMITTEES OF THE WHOLE

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I move, seconded by Mr. MacEachen (Cape Breton Highlands-Canso) that Mr. Prosper Boulanger, member for the electoral district of Mercier, be appointed Assistant Deputy Chairman of Committees of the whole.

Motion agreed to.

[*English*]

PROVISION FOR EXTENSION OF SITTING, FEBRUARY 18, 1972

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I move:

That, notwithstanding the provisions of Standing Order 2(2), the House shall meet at 11 o'clock a.m. on Friday, February 18, 1972, and that such sitting shall not be adjourned until the leaders of all parties have spoken in the Address Debate.

Motion agreed to.

SITTING SUSPENDED

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I suggest that the sitting be suspended until two o'clock this afternoon.

Mr. Speaker: The House has heard the suggestion. Is it agreed?

Some hon. Members: Agreed.

Mr. Speaker: The sitting stands suspended until two o'clock this afternoon.

At 12.17 p.m. the sitting of the House was suspended until 2 p.m.

SITTING RESUMED

The House resumed at 2 p.m.

SPEECH FROM THE THRONE

ADDRESS IN REPLY, MOVED BY MR. ROSS WHICHER AND SECONDED BY MR. CLAUDE G. LAJOIE

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

Mr. Ross Whicher (Bruce): Mr. Speaker, it is with great sincerity that I open my remarks by saying that it is indeed a genuine pleasure to be called upon by the Prime Minister (Mr. Trudeau), and the members of his government, to move the Address in Reply to the Speech from the Throne. All of the constituents of the riding of Bruce share this honour with me.

The riding of Bruce consists of the whole of Bruce county and what is known as the northern part of western Ontario. It also includes five townships in the county of Grey along with the town of Hanover. While there are several good sized towns, it can certainly be described as a rural riding. I am sure that every member of the House of Commons is proud of the area that he or she represents. I, too, have that pride, and it is even greater today than usual, not simply because I have been asked to give this speech, but because of the several great things that are taking place in the riding itself.

The huge Douglas Point project is the largest single piece of construction work that is going on in Canada at the present time. When it is completed, the sum of $1.5 billion will have been spent on construction work alone.

Mr. Knowles (Winnipeg North Centre): You are in the wrong House.

Mr. Whicher: This includes the largest heavy water plant of its type in the world, one that we all hope will work and not end up in the tragic circumstances in which the one in Nova Scotia now finds itself.

Some hon. Members: Hear, hear!

Mr. Whicher: To complement this plant, which is being constructed for Atomic Energy of Canada, Ontario Hydro is building a three million kilowatt nuclear power station. To illustrate the vastness of this power station may I remind you, Mr. Speaker, that the total energy requirements of the whole of Ontario 15 years ago were about six million kilowatts. Many hundreds of workers are at this very moment working on both of these projects which, when they are completed, will mean so much to the development of Ontario and indeed to Canada as a whole.

Many of the members here today are fully conversant with the fact that Canada is putting a telecommunications satellite into the atmosphere during the next year or so. Like our American friends, who have tracking stations all over the world in order to send men into space we, too, must have stations all over Canada to receive information and to send information to the satellite many miles in space. The significance of this operation is the fact that the command station for the whole operation is now being constructed at Allan Park, just east of Hanover, in the riding of Bruce, and many millions of dollars are being spent there.

Like many rural communities in Canada, up until only a few months ago, we were serviced by only one television station. Last year, however, we were successful in having CKCO of Kitchener build a satellite station north of Wiarton, and now most of the riding is privileged to have alternate viewing.

• (1410)

Many hon. members will appreciate the fact that, over the past several years, I have been keenly interested in the agricultural problems of Canada.

Mr. Peters: I haven't noticed it.

Mr. Whicher: There has been a good reason for this. We are primarily an agricultural area. Proudly, we lay claim to the fact that we are the beef capital of Canada, and right at this moment there are approximately 255,000 beef cattle being fed in the County of Bruce alone, plus many more thousands that are in the Grey part of the riding. Besides beef cattle, our farmers are extensively engaged in the dairy industry and in the feeding of hogs and poultry. We are a tourist area, too, and Bruce County alone has over 200 miles of shoreline on the Great Lakes. Thousands of cottagers, both Canadian and American, make their summer home with us, and are most welcome. Our rural communities and small towns are most pleasant places to live, and most of the residents prefer these communities to the more populated areas in Ontario.

Lumbering was a great industry in years gone by and because of that fact many furniture factories started in the various towns of the riding. Many of them, whose names are known across the length of Canada, are still producing an excellent quality.

But I did not come here today to speak solely of the great riding of Bruce. I come, Mr. Speaker, to lay the cards on the table, as I see them, relating to the problems and disappointments with which this government is faced, along with the many good things that have been accomplished by the same government.

An hon. Member: Tell us about the unemployment insurance situation.

Mr. Whicher: For example, no one can deny the unhappy circumstances in which many of our unemployed find themselves today.

An hon. Member: You are right.

Mr. Whicher: It makes us all sad; not just members of the opposition, but indeed every single member of the Liberal caucus.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Whicher: We will see how much you fellows shout in the next few minutes.

May I say with all the emphasis at my command that I am proud of this government that had the gumption to tackle that horrible parasite known as inflation, because if it had not there would have been a million Canadians unemployed now instead of the still tragic figure of 650 thousand. This must be the main objective of this government. The number one priority is to get these people back to work while at the same time keeping inflation under control as much as possible, in order that we may continue exporting billions of dollars worth of goods, because, on a population basis, this country has the highest rate of exports of any country in the world.

My greatest criticism of this government, however, is the fact that it has not sold to the Canadian people the many good things that it has accomplished since coming into office.

Mr. Bell: Explain.

Mr. Whicher: Last Sunday evening I heard an official spokesman for the Conservative party speak on "The Nation's Business". I will not name him here. As a matter of fact, I strongly suspect that the Tory party will want to

forget his name as the speech was filled with abuse, vindictiveness and downright lies. In passing, I might say that he announced that he had taken a leave of absence after more than 20 years as a journalist to enter politics actively as a supporter of the Conservative party. I strongly suggest that he keep his tie with his former occupation as he will most certainly need it. Even the Tories wouldn't accept a man like that around here. In his speech, he castigated the government for giving an increase of only 42 cents per month to the old age pensioners of Canada. This, of course, is a downright falsehood, but it seems to me that this government has allowed this falsehood to spread without attempting to see that the people of Canada are told the truth.

An hon. Member: Tell us the truth.

Mr. Whicher: What are the facts about the senior citizens of this nation of ours, and how has the government treated them? The truth is, Mr. Speaker, that at the present moment approximately 600 thousand of our senior citizens are drawing $135 per month as single persons and $255 per month as a married couple at age 65, and not at age 70 as was the case when the last Tory government was in power in this country. And I repeat that they draw $255 per month as a couple and not $130 as was the case, once again, when the last Tory government had control of the House of Commons. These, Mr. Speaker, are the highest old age pensions in the world. The government should be proud of this and every member of the House of Commons should be just as proud. It is true that approximately one-third of our senior citizens are still drawing $80 per month or $160 as a couple, but every one of these people has another source of income.

Indeed a small minority of them have large incomes. The remaining one-third of our senior citizens are drawing supplementary benefits, somewhere in between the minimum of $80 per month and the maximum of $135 per month. Am I ashamed of these figures? Am I ashamed of the way that we treat our fathers and mothers, who truly made Canada great? Once again I say, these are the highest old age pensions in the whole world. But this is not all that we do for our senior citizens.

• (1420)

Mr. Peters: He acknowledges the pensions.

An hon. Member: Shut up and listen.

Mr. Whicher: In the province of Ontario, for example, as of January 1 of this year every person over the age of 65 gets absolutely free medical and hospital services. Hundreds of millions of dollars have been spent on providing homes for the aged, both by governments and by private concerns. In many areas of the province, tax rebates are given to senior citizens on their municipal taxes. Transportation expenses are sometimes cut in half and entertainment costs are greatly reduced. But this is not all.

Mr. Alexander: I want to hear more about your riding.

Some hon. Members: Hear, hear!

Mr. Whicher: What my hon. friend means of course, Mr. Speaker, is that he does not like to hear the facts.

Some hon. Members: Hear, hear!

Mr. Whicher: As of January 1 of this year, no senior citizen in Canada who derives any supplementary benefits from our old age security legislation will pay one single nickel in income tax, and we should be proud of that.

Some hon. Members: Hear, hear!

Mr. Whicher: Are my friends to the left not going to cheer for the senior citizens? When you Tories were in power, they certainly paid. Without any doubt I can say here this afternoon that the senior citizens of Canada have the benefit of the just society promised by our government.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh.

Mr. Whicher: There is another group in our society who, like our senior citizens, have given their all to their country. I refer to the almost one million veterans who are still alive in Canada. As a matter of fact, there are only two countries in the whole world who think enough of their veterans to have a minister of veterans affairs. I am not referring to England, the United States or Germany. One is France and the other is Canada, and we should be proud of that.

Some hon. Members: Hear, hear!

Mr. Whicher: We should also be proud of the fact that, as a result of the new legislation that came through last year under the then minister of veterans affairs, the pensions paid to our veterans are the highest pensions anywhere in the world today.

Some hon. Members: Hear, hear!

Mr. Whicher: I should like to refer to this nice booklet which some of my friends have not read, and no doubt choose to ignore, called "Pensions for Disability and Death Related to Military Service". I ask you, when you have time, to look at some of the pensions that we are paying to the veterans of Canada, who of course deserve them. Other veterans in the rest of the world deserve them also, but we pay the most. May I remind you of the fact that a single pensioner in Canada from either World War I or II, who receives a full pension, now receives $292 a month absolutely tax free, and that a pensioner with a wife and three children receives $460 a month absolutely tax free. This is not too much, but the fact is that this government has given the veterans of Canada more than anyone else in the world, and I am proud of that.

Mr. Baldwin: I gather you like the government.

Mr. Whicher: We in Canada live in a most peculiar situation.

Some hon. Members: Hear, hear!

Mr. Peters: You could have substituted the word "Liberal".

Mr. Whicher: It may be a peculiar situation, but not as peculiar as some of my friends to the left.

Mr. Baldwin: How far left?

Mr. Whicher: Thank God that the great country to the south of us is the United States of America, but in thanking Him let us remember that this situation creates many difficulties too. Last year, the United States had a deficit of $38 billion and this year they are budgeting for a deficit of $25 billion. How does one live beside a nation such as this that spends such huge quantities of money, that has ten times our population, and for that matter has a much warmer climate? But in spite of this proximity, we have done a reasonably good job here.

Last autumn, a tax bill was passed in the House of Commons, bitterly opposed by all members of the opposition, which raised the tax exemption from $1,000 to $1,500 for single persons and from $2,000 to $2,850 for married couples. Not enough, says the opposition, but it is approximately a 50 per cent increase and certainly a step in the right direction. I cannot resist putting the question to my hon. friends to the left: how much did they raise it the last time that they were in office? Not one single nickel.

Some hon. Members: Hear, hear!

Mr. Whicher: But the government did better than this; they gave an additional exemption of $650 to every taxpayer on reaching the age of 65 as opposed to the exemption of $500 at the age of 70 which existed previously. Not enough, says the opposition, but how much did my Conservative friends increase it the last time they were in office? Once again, not one single nickel.

For years, many Canadians, particularly young working mothers, have said that there should be some tax exemption for them to allow for a baby sitter or a housekeeper. The then minister of finance answered the challenge, and now up to $2,000 can be allowed to the working mother. Not enough, the opposition will say, but may I remind them that it is a mighty fine start. Working men and women are being allowed $150 for clothes and tools used in their particular vocation.

Some hon. Members: Oh, oh.

An hon. Member: Big deal.

Mr. Whicher: Not enough, the opposition says, but again, how much did they allow when they were in government? Once again, not one single nickel.

Many of these good points have not been sold to the people of Canada. There are many more that could be mentioned. Just as an example, I remember the hue and cry that went up from the small businessmen of this nation when it was suggested in the White Paper on Taxation that all corporations would be placed on the same tax basis, whether big or small. This government, rightly so in my opinion, put into tax law percentages that allow the small businessmen to pay only half of what the big corporations pay up to a very reasonable profit figure. It is human nature to dislike any form of taxation, but this government has made our tax laws much fairer than they were in the past. An example of this is the implementation of a capital gains tax for the first time in Canada's history. In my opinion, at least 90 per cent of all Canadians are in favour of this tax, but in spite of this some members of the opposition, in their attempt to gain favour with big business, were opposed to this very fair method of taxation that has been implemented by every single western nation.

My concluding remarks on this particular subject are that Canadians as a whole owe a great debt of gratitude to the Hon. Edgar Benson,—

Some hon. Members: Hear, hear!

• (1430)

Mr. Whicher: —who took a fantastic amount of criticism without wincing and finally brought forth a fair taxation plan for the citizens of this nation. Mr. Speaker, if the members of the opposition do not think I am right, then let them ask the hundreds of thousands of Canadians who will pay no further taxes, and ask the millions whose taxes are being reduced.

Some hon. Members: Hear, hear!

Mr. Whicher: Ever since World War II, the agricultural industry of Canada has not had a square deal. With rising costs, and in many instances reduced prices for the products they produce, farmers have been caught in an economic squeeze that is unreasonable and unbearable. The difficulty was not caused merely by the fact that other segments of the economy had their incomes raised while, on the other hand, farmers in most instances were receiving the same income or, in many instances, less income. I have stated in this chamber previously, and I do so again now, that the agriculture industry in many instances is worse off now than it was when I first entered politics 17 years ago. But, Mr. Speaker, I can truthfully say that I can see a light. It is my honest belief that the agriculture industry, after a long delay, is on the way up.

The beef industry is in great shape, and indeed prices are at a point where a farmer can make a reasonable return on his investment. The dairy industry is in much better shape than it was two years ago. Thanks to a great selling effort by private enterprise, under the direction of the Canadian Dairy Commission, practically all our stocks of powdered milk have been sold. As a result, prices have increased and those engaged in the dairy industry in Canada, while not getting paid as much as they should, are at least making a living.

Let me not minimize the fantastic amount of hard work that our dairy farmers do. Let me emphasize that on each day of every year, including Sundays and holidays, cows have to be milked twice a day. With this as a background, I say to you now that I hope dairy prices will improve, but at the same time I emphasize that the industry as a whole is in much better shape than it was when the government came into power.

Our hog producers, who faced disastrous prices last year because of over-production in the whole of North America, are receiving a subsidy from the Minister of Finance (Mr. Turner) of $5 for every hog of good quality, up to a maximum of 200 hogs, which will result in $25 million being put into the pockets of our hog producers. No one deserves it more; the fact is that their plight has been recognized by the government.

A two price system for wheat has been brought into being by the government. This is something that was requested, even demanded, by the wheat producers for many years. It will put an extra $60 million into the

pockets of the wheat producers of this country. However, I emphasize that after many years of frustration it was this government that had the gumption and the foresight to give the wheat farmers of Canada the square deal that they are now getting.

Some hon. Members: Hear, hear!

Mr. Whicher: Many years ago I used to read about the great salesmanship of the Hon. Alvin Hamilton, minister of agriculture in the Conservative government. I admired him because he sold wheat and grain to the markets of the world. But, Mr. Speaker, if hon. members of the opposition are proud of that gentleman's name, how much prouder should they be of the Hon. Otto Lang who, last year, sold more wheat than in any other year in the history of Canada?

Some hon. Members: Hear, hear!

Mr. Whicher: I ask my western friends only one thing. Tell the farmers of western Canada of the great salesmanship job that the Hon. Otto Lang has done. Just as a matter of interest, Mr. Speaker, I received a letter on my desk this morning from the Sales and Marketing Executive Association of Regina which is having an awards dinner to honour the Hon. Otto Lang as salesman of the year.

Some hon. Members: Hear, hear!

Mr. Whicher: Mr. Speaker, it is incomprehensible to me why members of the opposition do not clap. This minister sold western products. They should be proud of him.

I also ask my western friends to tell the farmers that it was chiefly through the efforts of the Hon. Otto Lang, and of the hon. Minister of Agriculture (Mr. Olson), that they got a two price system for wheat. They should also tell farmers that it was the Minister of Agriculture who spearheaded the efforts to get the government to give the hog producers a $5 subsidy for their hogs.

Just before the New Year, Parliament passed a national marketing bill, known as Bill C-176, which does more to influence my decision that the agricultural industry is on the way up than any other piece of legislation. It was an act that, in principle, was asked for by every major agricultural body in the country. It is an act that, for the first time in history, will allow the farmers to run their own show. At all times there will be a majority of producing farmers on the council that administers the act. It will allow farmers, if they wish, to have agencies set up for any product, and will, for the first time in history, help ensure that the agricultural community will get fair prices for the food commodities that it produces. I repeat that the farmers of Canada wanted this legislation, and after nearly two years it has been given to them by the government, with the proper amendments that the agricultural community sought.

You may remember, Mr. Speaker, that we stayed here until the early hours of the morning to pass that bill through the House. I remember the Prime Minister (Mr. Trudeau) sitting here for hours that night, showing an interest in the farmers of Canada.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Whicher: But where, Mr. Speaker, were the leaders of the other parties?

Some hon. Members: Shame!

Mr. Whicher: I haven't any idea where they were, but one thing I do know is that they were not here looking after the interests of the farmers of Canada.

Mr. Speaker: I have to interrupt the hon. member to inform him that the time allotted to him under the terms of the Standing Order have expired.

Some hon. Members: Carry on.

Mr. Speaker: He can continue only with the consent of the House.

Some hon. Members: Agreed.

Mr. Whicher: Mr. Speaker, when I was at home during the past month I must confess that none of my farming friends asked where the leader of the New Democratic Party was on that particular night. They really don't care. However, I was asked by some of my Conservative friends where the Leader of the Opposition (Mr. Stanfield) was when his help was needed to get this bill through. I replied that I did not know, but that I would certainly ask him at the first opportunity. No doubt at the opportune moment both of these leaders will tell us where they were.

Last year we had a crisis in Canada. The FLQ were raising havoc in the great city of Montreal. Hindsight is a great thing to have and it may very well be that, as a result of looking into the past, we may conclude the government over-reacted, at least to some degree on that particular occasion. But there is one thing that we do know, namely that one very responsible cabinet minister of the Quebec government was murdered and one senior official of the British government was kidnapped. There is one other thing that we know, if we are honest with ourselves, and that is that 98 per cent of the people of Canada stood behind the Prime Minister in the action that he took in that hazardous hour.

• (1440)

Some hon. Members: Hear, hear!

Mr. Whicher: The Leader of the Créditistes (Mr. Caouette) to his everlasting credit, backed up the Prime Minister.

Some hon. Members: Hear, hear!

Mr. Whicher: But what about the leaders of the other two parties? Mr. Speaker, they waffled, like the waffle group of the New Democratic Party. They tried to play politics in Canada's hour of danger.

Some hon. Members: Hear, hear!

Mr. Whicher: They were willing to gamble with Canada's freedom because they did not like the fact some people were put in jail for a few days. Mr. Speaker, during the past two world wars thousands of Canadians died to help keep Canada free and we are not prepared to gamble with this freedom for the sake of political expediency. Mr.

Speaker, I ask you in all seriousness, if Canada faced an hour of crisis in the future who would you rather have at the head of this nation, the leaders of either of the two opposition parties or the leader of the present government?

An hon. Member: Don't answer that; you may incriminate yourself.

Mr. Whicher: I leave it to the people of this nation to decide. Mr. Speaker, ever since the present Prime Minister took office he has been opposed at every turn by the opposition.

Some hon. Members: Oh, oh!

Mr. Whicher: These advocates of gloom and doom have told us that Canada is in terrible shape; in fact, in the worst shape in history. They emphasize, without exception, our problems and never once talk of the many good things taking place in our nation. I ask them now, Mr. Speaker, where would they rather live? Would it be in once mighty England, in Ireland or in Pakistan? To be fair, would it be in the United States where over one and one-half million people are on welfare in New York City alone right at this very minute.

An hon. Member: We are catching up fast.

Mr. Whicher: Would it be in the United States whose citizens tried to burn down the great city of Detroit only a couple of years ago and in whose metropolitan centres it is not safe to go out at night? Once again, would it be in the United States which is saddled with a racial problem that is terrible to contemplate, as well as a war that all its citizens wish to get out of. No, Mr. Speaker, when the chips are down, all Canadians would want to remain in Canada.

Some hon. Members: Hear, hear!

Mr. Whicher: Indeed, if circumstances would allow it, one half of the world would like to move here. While appreciating the difficulties that this country faces with the unemployed, and while admitting that we have many imperfections, although not as many as other countries have, let me point out the following fact. No one who is working in Canada today, whether he be an electrician or a plumber, a teacher or a nurse—

An hon. Member: Or Pierre Vallieres.

Mr. Whicher: —a doctor or a lawyer, a politician or a secretary, ever had it so good.

Some hon. Members: Hear, hear!

Mr. Whicher: Our greatest problem is to get coloured television sets instead of black and white and to have two or three cars in every family instead of one.

Last autumn, the Calgary Stampeders came back to Calgary after winning the Grey Cup in Vancouver. Thousands of fans greeted them, shouting, "We are number one." Last spring, the Montreal Canadiennes returned to Montreal to be greeted by thousands of Montrealers shouting the same thing. It is high time, Mr. Speaker, that 22 Canadians stood on their feet and shouted, "We are number one."

An hon. Member: Twenty-two?

Mr. Whicher: Anyone can make the odd mistake. Because you see, Mr. Speaker, we are number one. I defy the Leader of the Opposition and the leader of the New Democratic Party to say otherwise. If we are, Mr. Speaker, surely, the captain of this great ship, the Prime Minister of Canada, deserves some recognition.

An hon. Member: There are too many leaks in that captain's ship.

Mr. Whicher: I hear all that, Mr. Speaker, and it reminds me of the story of the surgeon who was performing a brain transplant. He said that it cost $100 for an ounce of Liberal brains, $150 for Tories and $1,000 for NDP. The poor fellow asked why it cost $1,000 for NDP brains and the surgeon replied, "It takes a hell of a lot of NDPs before you can find an ounce of brains."

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Whicher: I guess we are getting into the meat now and if you fellows want to open up, I will too.

Some hon. Members: Hear, hear!

Mr. Whicher: Mr. Speaker, if the Prime Minister has to be criticized for his sins, and no man is without them,—

Some hon. Members: Oh, oh!

Some hon. Members: Shame!

Some hon. Members: Hear, hear!

Mr. Whicher: —then he should get credit for being the leader of this great country, the greatest place in the world in which to live in this year, 1972.

Mr. Speaker, in a few days, the President of the United States will be visiting the great People's Republic of China. Without fear of contradiction, I tell you that it was the Prime Minister of Canada who really initiated this trip, which means so much to the peace of this world. Without fear of contradiction, I say to you that it was because of Canada's efforts in bringing about the recognition of Red China at the United Nations, it was because of Canada's action in recognizing that country through the exchange of diplomats that got the United States and China talking to each other again. And it will be because of the Prime Minister's efforts in initiating friendly gestures to such great countries as the U.S.S.R. and China that will enable our business community and our agricultural people to initiate trade with the huge numbers of people in those countries, so vast in number, that they are almost beyond comprehension.

Mr. Paproski: Let's see you walk on the water, Pierre.

Mr. Whicher: Mr. Speaker, if we want peace in this world, we have to talk to everybody and if we want to do business with them, we have to learn to talk too.

In conclusion, Mr. Speaker—

An hon. Member: Oh, don't stop.

Mr. Whicher: —let me say this. I am sure that the Russians and the Chinese and the French and the English are

proud of their countries. I am equally sure that the Americans are proud of theirs. How much prouder should we be of this great country of ours, stretching from Newfoundland to British Columbia, which, while it may have many imperfections, has not as many as other countries in the world. Let us be proud of our forests and our mines. Let us be proud of our great wheat fields and modern cities. And even more than that, Mr. Speaker, let us be proud of our way of life. During the past year, stories have been circulated about an election that must be called according to our constitution in the foreseeable future. To the Prime Minister of Canada, I say this: Call it any time you want.

Some hon. Members: Hear, hear!

• (1450)

Mr. Whicher: The results, as far as I am concerned, are a foregone conclusion. When the chips are down, the people of Canada will appreciate the good life that this government is allowing them to live.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Whicher: They will appreciate that Canada is certainly not a heaven; but it is the next thing to it on this whole earth. While I appreciate the fact that you will want to fight an election on the future of Canada, may I suggest that your government has, nothing to be ashamed of in either the past or the present. Like the Stampeders and the Canadiens, our Nancy Greenes and our Bobby Orrs, we are number one.

In conclusion, Mr. Speaker, I move, seconded by the hon. member for Trois-Rivières (Mr. Lajoie):

That an Address the text of which follows, be presented to His Excellency the Governor General of Canada:

To His Excellency the Right Hon. Roland Michener, Chancellor and Principal Companion of the Order of Canada, upon whom has been conferred the Canadian Forces' Decoration, Governor General and Commander-in-Chief of Canada.

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

Mr. Claude G. Lajoie (Trois-Rivières): Mr. Speaker, it was Benjamin Disraeli who once said, "I feel a very unusual sensation. If it is not an indigestion, I think it must be gratitude."

[*Translation*]

For a new member of the House a maiden speech is of special importance. I am deeply grateful for the honour bestowed upon me today of seconding the Address in reply to the Speech from the Throne moved by my colleague, and I thank the right hon. Prime Minister (Mr. Trudeau) for this honour which is reflected on my family and the whole constituency of Trois-Rivières.

I should like to pay a tribute to the people who elected me almost a year ago. I entered politics somewhat in spite of myself and had it not been for my admiration for the right hon. Prime Minister, I might not have come to it. His energy, wisdom and courage have won him the admiration of all, who see him as a distinguished leader. I am a proud member of his party. He has been at all times the champion of Canadian unity, which is the key to our survival.

[*English*]

I have also promoted Canadian unity, and in this respect I have something in common with the Prime Minister (Mr. Trudeau)—but I did it 23 years before he did. My wife is also from Vancouver.

Some hon. Members: Hear, hear!

Mr. Lajoie: The eight children in my family have learned both languages. Although my wife comes from God's country, she is perfectly at home in Trois-Rivières.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Lajoie: The constituency I have the honour to represent in this House was named by Jacques Cartier, the navigator who sailed up the St. Lawrence in 1535. However, there are only two rivers in our area, but the islands of la Potherie and Saint-Quentin, at the junction with the St. Lawrence and the St. Maurice Rivers, give the impression of three rivers. It is one of the occurrences in our regional history which one likes to mention.

The city of Trois-Rivières—the second in Canada—was founded in 1634, by the sieur de Laviolette. It was, at the outset, a starting point for the coureurs de bois like Radisson, whose legend still lives on. The first heavy industry in Canada was established there in 1729, under the name of Les Vieilles Forges, which were still in existence 154 years later, in 1883. As a matter of fact, the federal government has offered a million dollars to the Quebec government for their restoration.

Given its geographical situation, the city of Trois-Rivières was destined to become the capital of the pulp and paper industry. My constituency now includes three important cities, Trois-Rivières, Cap-de-la-Madeleine and Trois-Rivières-Ouest, comprising more than 100,000 people. Seventy five per cent of our population is made up of workers. I am myself a worker and I am proud of it. I built my first house myself and although I do not use the hammer anymore, I can still oversee a group of workers.

My constituency, an important industrial centre, includes 19 firms, with more than 200 employees each, and more than 100 other industries employing more than 3,000 people. Personal income in the three cities mentioned earlier amounts to $208.5 million and retail sales total $115.6 million. Our harbour ranks sixth in Canada. It is open the year round. Its mooring front runs almost 10,000 feet and last year it accommodated 1,194 ships, including 370 liners and 824 coasters. During 1970, 5,364,914 pounds of goods were handled there. Piers and sheds are linked by a five-mile railroad.

Last summer I had the honour of being a member of the delegation from Cap-de-la-Madeleine which went to Châteaudun, in France, to celebrate the establishment of those twin cities. The city of Cap-de-la-Madeleine gets its name from Jacques de Laferté, vicar of Sainte-Marie-Madeleine in Châteaudun, who was the first owner of the land on which the city was built. The granting of the status of town in 1918, and that of city in 1922, was the starting point of an era of development which has been going on ever since. The population of Cap-de-la-Madeleine is now 32,000.

Trois-Rivières-Ouest, with a population of 8,000, is a young dynamic town which has only been in existence for eight years. From a suburb, it has turned into an active town where housing construction is developing constantly.

The three cities of Trois-Rivières, Cap-de-la-Madeleine, and Trois-Rivières-Ouest constitute in effect a metropolitan area which in turn contains the riding.

I am pleased to give credit here to the three mayors who govern the fates of those cities in a dynamic way and with a spirit of co-operation, in the best interest of the metropolitan area in general.

[*English*]

In the few months I have spent in this House, I have learned a great deal about my colleagues, those who face me as well as those who sit on this side. They are a living example and a true picture of Canadians working for the betterment of all Canadians from all parts of the country. Indeed, debates can be heated at times and tempers can flare, but this is Parliament at work.

• (1500)

[*Translation*]

Through the policy set forth this morning, the government intends first of all to take steps to stimulate our economy. Those measures will promote trade exchanges and facilitate the financing of Canadian exporters. The maintenance of consumer price stability is also provided for, while increased assistance to secondary industries will enable them to develop further. Those measures will stimulate the economy in general and be of benefit to industry and labour alike.

The House will also be asked to deal with a measure to increase the number of jobs through better use of the competence and initiative of those who are looking for work. A new labour code will also be studied, which will take into account the many representations received in the last few months.

Mr. Speaker, I am pleased with the proposed legislation and without commenting them all, I believe I can say that they augur well.

The member has a varied role. Not only is he a link between his constituents as well as their spokesman in Ottawa, but he also acts as a legislator who considers bills and discusses them in the committees or in the House. On occasion, he will serve as a delegate at international organizations such as the UN and NATO. The image of the member is often warped. He is too often put on a pedestal; he becomes an almost unapproachable character who lives off the fat of the land in the capital. Parliamentary proceedings keep him in Ottawa five days weekly and the problems of his constituents often compel him to work on Saturdays and Sundays. It is just the same an engrossing work and the member derives his greatest satisfaction from the knowledge that he has been of some assistance to an individual and has supported a bill which will benefit all Canadians.

I would feel remiss if I did not at least briefly point out the achievements of the government during the past three years. In all fields, amendments have been made to existing legislation, or new laws have replaced those which had become obsolete. All levels of society have benefited from this government policy.

In the field of social policy, we have had amendments to the Old Age Security Act and an increase of veterans pensions. As regards the protection of the citizen and his rights, we have looked after the consumer's protection through measures such as the Consumer Packaging and Labelling Act and the Weights and Measures Act.

In the field of labour, the new Unemployment Insurance Act provides for increased benefits for thousands of beneficiaries. The same holds true as regards economic expansion. More recently, we have had the establishment of the Department of Environment and the arctic waters pollution legislation.

And I did not mention such programs as Opportunities for Youth or Local Initiatives, which have benefited thousands of Canadians in all walks of life.

Before closing, I should like to say how happy I am to learn that the government will be creating three national parks in the Canadian north. Now, each of Canada's provinces and territories will be represented in our national park system. Our fellow citizens of the St. Maurice Valley are very happy to have obtained one of Quebec's first two parks, and the consequences are already being felt. In addition to creating hundreds of direct jobs, this project has led to the implementation of the Trans-Quebec Highway between Trois-Rivières and the national park, through a $4 million-dollar contribution by the Department of Regional Economic Expansion.

The St. Maurice Valley National Park will mark the beginning of the new touristic calling of our area, owing to the very rich history of Trois-Rivières and of its gallant pioneers.

At the outset, I mentioned the aggressiveness, the wisdom and the courage of the Prime Minister. Indeed these qualities were essential for him to initiate the program which he has carried out and the one which will be introduced to the House in the months to come.

Mr. Speaker, I am pleased to support the motion proposed by my colleague, the hon. member for Bruce (Mr. Whicher).

[*English*]

On motion of Mr. Stanfield, the debate was adjourned.

On motion of Mr. MacEachen, the House adjourned at 3.09 p.m.

HOUSE OF COMMONS

Friday, February 18, 1972

The House met at 11 a.m.

HOUSE OF COMMONS

PRESENCE IN SPEAKER'S AND SENATE GALLERIES OF CERTAIN MEMBERS OF UNITED STATES CONGRESS

Mr. Speaker: It gives me much pleasure to bring to the attention of hon. members the presence in the Speaker's gallery and in the Senate gallery of a delegation of very distinguished and senior parliamentarians from the United States Congress representing both the Senate and the House of Representatives.

The delegation, led by Senator Frank Church and Congressman Neil Gallagher, is in Ottawa to attend the fourteenth annual meeting of the Canada-U.S. Interparliamentary Group. I know it is the sense of this House that over the years this group, this association, has made a valuable and indeed a positive and significant contribution to the maintenance of cordial relations between our two peoples, between our governments and between our countries, based upon good will, mutual understanding and friendship.

On behalf of all hon. members I extend to our distinguished visitors and friends a most hearty welcome and express the hope that their stay in Canada will be interesting, enjoyable and fruitful.

Some hon. Members: Hear, hear!

ROUTINE PROCEEDINGS

THE MINISTRY

ANNOUNCEMENT OF CHANGES—TRIBUTES AND BEST WISHES TO MEMBER FOR NIAGARA FALLS ON RECOVERY FROM ILLNESS

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as is customary I should like to inform the House of certain changes made in the ministry since the recess began on January 12, 1972.

It is with great personal regret that I received the resignation on December 31, 1971 of the Hon. J. J. Greene as Minister of Energy, Mines and Resources. I know I speak for all hon. members when I say that we followed our colleague's recent illness with concern and are now delighted with the recovery which will allow him to continue to serve his constituency in Parliament.

Some hon. Members: Hear, hear!

• (1110)

Mr. Trudeau: Although his absence has already been felt by cabinet, it is fortunate that the House of Commons, and indeed all of Canada, may still benefit from the unique eloquence, common sense and humour of the hon. member for Niagara Falls.

[*Translation*]

During the parliamentary recess, some changes were made in the membership of the cabinet. The Hon. P.M. Mahoney was made Minister of State to assist the Minister of Finance.

Ten ministers were given a different portfolio beginning January 28, 1972: the Hon. Arthur Laing, Minister of Veterans Affairs—

[*English*]

Shall I dispense, Mr. Speaker?

Mr. Lewis: Dispense. It makes no difference, anyway.

Mr. Trudeau: In that case, I shall not dispense, Mr. Speaker.

[*Translation*]

Hon. E. J. Benson, Minister of National Defence; Hon. John N. Turner, Minister of Finance; Hon. Bryce Mackasey, Minister of Manpower and Immigration; Hon. Donald S. Macdonald, Minister of Energy, Mines and Resources; Hon. Jean-Eudes Dubé, Minister of Public Works; Hon. Ron Basford, Minister of State for Urban Affairs; Hon. Robert K. Andras, Minister of Consumer and Corporate Affairs; Hon. Otto E. Lang, Minister of Justice and Attorney General of Canada who will still be responsible for the Canadian Wheat Board; Hon. Martin P. O'Connell, Minister of Labour, who will still be responsible for Information Canada.

I should like to table the correspondence exchanged between the Hon. J. J. Greene and myself. As a few changes were also made in the appointment of parliamentary secretaries, I should like to table the decree concerning those changes.

[*English*]

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, may I just say a word about the hon. member for Niagara Falls (Mr. Greene) to whom the Prime Minister (Mr. Trudeau) referred. I will have one or two other things to say about the rest of the Prime Minister's announcement later in the day. On my own behalf and that of my colleagues I wish to express our regrets because the hon. member for Niagara Falls has found it necessary to retire from the cabinet as a result of ill health. I express these regrets all the more warmly because I know that he has never had anything except my own best interests at heart in pursuing his career. He has been a vigorous partisan, as I am sure he would agree. At times he has swung a broad axe and sometimes I felt a blunt axe; but he was always prepared to have an axe swung at him in return. I wish him well, Sir.

Some hon. Members: Hear, hear!

Tribute to Member

Mr. David Lewis (York South): Mr. Speaker, I rise only to join my colleagues and myself in the wishes expressed to the hon. member for Niagara Falls (Mr. Greene). I have already commented about the changes in the cabinet and I see no reason for repeating those comments. I want to tell the hon. member for Niagara Falls that all the things the Prime Minister (Mr. Trudeau) said about him were true, that we all enjoyed his part in the House of Commons, his speeches outside and his conscientious work as a minister in a very important portfolio. I regret with all my heart that his illness has made it impossible for him to continue his work. I look forward to listening to him in the House as an honourable and honoured member.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, it is with feeling that my colleagues and I endorse the words spoken by the Prime Minister (Mr. Trudeau) and by other members of the opposition concerning the hon. member for Niagara Falls (Mr. Greene). We have always felt a great deal of esteem for him, and we want to testify today that he has always honoured the responsibilities that had been entrusted to him.

There is no doubt, Mr. Speaker, that the hon. member for Niagara Falls has made a precious contribution to the prestige of the House of Commons through the quality of his speeches and the perfection with which he has always accomplished his work.

I met him yesterday with a group of colleagues and, in the face of the misfortune that has befallen him, he simply said: "You know, my friends, anywhere in life patience is required." Such is the man who said those words.

On behalf of my colleagues, I would like to congratulate him on his work and to wish him better luck in the future with us in Parliament.

* * *

[*English*]

REGIONAL ECONOMIC EXPANSION

EVALUATION OF PROGRAMS BY COMMITTEE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. James A. McGrath (St. John's East): Mr. Speaker, I wish to ask the unanimous consent of the House to move a motion under Standing Order 43 which I consider to be of urgent and pressing importance. I do so in light of the recent unemployment figures released by Statistics Canada, which indicate that in provinces where Department of Regional Economic Expansion programs are most heavily concentrated unemployment is rising and there is a substantial decrease in the number of jobs. Therefore I move, seconded by the hon. member for Annapolis Valley (Mr. Nowlan):

That the Standing Committee on Regional Development be empowered to undertake an evaluation of DREE programs.

Mr. Speaker: The motion proposed by the hon. member requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. Stanfield.]

Mr. Speaker: There is not unanimity. The motion cannot be put.

* * *

TRADE

CANADA-U.S. AUTO PACT—CANADIAN POSITION IN NEGOTIATIONS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I rise under the provisions of Standing Order 43 which provides that in cases of urgent and pressing necessity a motion may be moved if unanimous consent is given.

The matter of urgent and pressing necessity arises out of reliable reports, both American and Canadian in source, that the Canadian government changed its negotiation position on the Canada-U.S. automotive agreement between December, 1971, and January, 1972. Such shift in policy has led to confusion abroad and uncertainty at home as to what the Canadian government's position on the automotive industry is, particularly with regard to the production safeguards which currently exist in the Canada-U.S. automotive agreement. Therefore, under the provisions of Standing Order 43 I ask leave to move, seconded by the member for Brant (Mr. Blackburn):

That the Minister of Industry, Trade and Commerce be called upon to make a statement on motions at the next sitting of this House outlining the government's present policy proposals on the Canadian automotive industry.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: The motion cannot be put.

* * *

ADMINISTRATION OF JUSTICE

RELEASE OF YVES GEOFFROY FROM ST. VINCENT DE PAUL PENITENTIARY—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, pursuant to Standing Order 43 I ask the unanimous consent of the House to propose a motion on a matter of urgent and pressing necessity.

The immediacy of the motion arises as a result of the wrongful release of Yves Geoffroy from the St. Vincent de Paul Penitentiary and his sudden disappearance after said release. The shocking facts are known to everyone. I therefore move, seconded by the hon. member for Peace River (Mr. Baldwin):

That the Governor in Council cause an inquiry to be made into the wrongful release of Yves Geoffroy from the St. Vincent de Paul Penitentiary and that a special commission be set up to inquire into the same in accordance with the Inquiries Act, empowered to summon witnesses and give evidence under oath and ask for the production of documents deemed requisite to a full investigation into what appears to be a corrupt practice within the administration of law in Canada.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

Some hon. Members: Oh, oh!

Mr. Woolliams: What a best man—Denis.

Mr. Bell: Poor Rivard.

[*Translation*]

Mr. Henry Latulippe (Compton): Mr. Speaker, I ask leave, seconded by the hon. member for Abitibi (Mr. Laprise), to move the adjournment of the House under Standing Order 26 for the purpose of discussing a specific matter—

Mr. Speaker: Order, please. I regret to interrupt the hon. member but we are on motions and only those moved under Standing Order 43 may now be heard. If I understand the hon. member correctly, he wants to move a motion under the provisions of Standing Order 26 and I shall recognize him when we reach that stage in the business of the House.

* * *

• (1120)

[*English*]

LABOUR RELATIONS

DISPUTE BETWEEN TREASURY BOARD AND ELECTRICAL WORKERS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, pursuant to Standing Order 43 I request the unanimous consent of the House to propose a motion arising from a matter of urgent and pressing necessity. It concerns the impasse in the contract negotiations between the Treasury Board and the International Brotherhood of Electrical Workers which is seriously affecting the public interest by disrupting air transport and which has also been a factor leading to the loss of six lives when the trawler *Gulf Gull* ran ashore off Cape Breton Island because navigational aid was off the air at the time of the accident.

With the consent of the House I would move, seconded by the hon. member for Peace River (Mr. Baldwin):

That this House urges the government to instruct the Treasury Board forthwith to negotiate in good faith with the Brotherhood with a view to the settlement of any matters in dispute, and this House further urges that if the Treasury Board and the Brotherhood fail to conclude a settlement and to enter into a new collective agreement within three days after such instruction is given, the government take measures to establish procedures for effecting a settlement.

Mr. Speaker: Is there unanimous consent with respect to the motion proposed by the hon. member for Hamilton West?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There does not appear to be unanimous consent. The motion cannot be put.

* * *

UNEMPLOYMENT INSURANCE

DELAY IN PAYMENT OF BENEFITS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, pursuant to Standing Order 43 I ask leave to move a motion concerning a matter of urgent and pressing necessity in connection with the payment of unemployment insurance benefits. I present this motion bearing in mind the thousands of problems being encountered across the nation and the severe hardship being imposed on those who are entitled to unemployment insurance benefits and who are unable to receive them, a situation which leads to humiliating experiences for claimants. I would add that the Minister of Manpower and Immigration himself said he would welcome any suggestions—

Mr. Speaker: Order, please. I have to remind the hon. member and other hon. members that they should not attempt to argue the case or present substantive arguments in support of a motion under Standing Order 43. If the hon. member has a motion to put forward he should put it now.

Mr. Skoberg: Thank you, Mr. Speaker. I therefore move, seconded by the hon. member for Brant (Mr. Blackburn):

That the Standing Committee on Labour, Manpower and Immigration be instructed to make an immediate inquiry into the operations of the Unemployment Insurance Commission to determine the causes of the delays experienced all over Canada in the receipt of unemployment insurance benefits and to recommend steps to put the administration of unemployment insurance on a proper and efficient basis.

Mr. Speaker: The House has heard the motion put forward by the hon. member for Moose Jaw. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: The motion cannot be put.

STEPS TO EXPEDITE PAYMENT OF CLAIMS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. John Lundrigan (Gander-Twillingate): I am not sure what I should do, Mr. Speaker. I had intended to move a motion under the terms of Standing Order 43 on the same topic. It is of a constructive nature and I am sure all hon. members would want to consider it. Without further preamble I should like to move, seconded by the hon. member for Vegreville (Mr. Mazankowski):

That this House urges the government to revise its administrative procedures for computer rejects; that a manual pay procedure be established for rejects and overdue claims; that local offices be reopened and temporary offices be established to facilitate the prompt payment of overdue claims and for the general benefit of those insured under the program, and, finally, that the government decentralize its pay processing procedures.

I trust this motion will receive more than the usual response.

Mr. Speaker: Order, please. The hon. member has indicated the substance of his motion. The question is formally before the House. I have to inquire, of course, whether there is unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity and the matter cannot be proceeded with at this time.

[*Translation*]

MOTION TO ADJOURN UNDER S.O. 26

UNEMPLOYMENT INSURANCE

DEALY IN PAYMENT OF BENEFITS—REMEDIAL MEASURES BY GOVERNMENT

Mr. Henry Latulippe (Compton): Mr. Speaker, I ask leave to move, seconded by the hon. member for Abitibi (Mr. Laprise), a motion for the adjournment of the House under Standing Order 26 for the purpose of discussing a specific and important matter requiring urgent consideration, namely the necessity for the government to take steps to consider and improve the Unemployment Insurance Commission performance which is several months behind in its payments to thousands of claimants.

Mr. Speaker: The hon. member has given notice required under Standing Order 26 and I have carefully considered the suggestion he made.

I of course recognize that this is an important matter and one of interest to all hon. members of this House. At the same time, I believe hon. members will recognize that it would not be easy to justify adjournment of the House under Standing Order 26 at the very moment when we have before us the debate on the Address in Reply to the Speech from the Throne, more particularly today when it has already been determined by a special order of the House that we must, during the course of the day, hear the speeches of the four parties.

I feel, after due consideration, that I must reach the conclusion that it is not possible, at least today, to allow holding a special debate on the subject brought forward by the hon. member for Compton.

[*English*]

ORAL QUESTION PERIOD

UNEMPLOYMENT INSURANCE

DELAYS IN PAYMENT OF BENEFITS—REQUEST FOR INVESTIGATION BY COMMITTEE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, in the regrettable absence of the Minister of

[Mr. Lundrigan.]

Manpower and Immigration, I should like to pose a question to the Prime Minister. I am sure that in view of the seriousness of the tragic delays in the payment of unemployment insurance claims the Prime Minister will be fully familiar with this subject. May I ask the right hon. gentleman whether he has caused inquiries to be made as to the reasons for these delays, and can he now give the House these reasons in order to explain the very serious delays that are taking place across the country?

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, may I draw to the attention of the Leader of the Opposition that, though it is easy to criticize, it is indeed remarkable that an additional 1.2 million Canadians are covered by the new unemployment insurance plan. I further point out that 98.7 per cent of all claims are being processed on schedule, and that only a few days ago a news release was issued concerning the minister's investigation into the problem of delays. It was determined during the investigation that the principal reasons for the delays stemmed from three causes: First of all, a lack of employer records, a situation which is now, hopefully, being remedied; second, improperly filled in claims by claimants and, third, some problems within the Unemployment Insurance Commission. I would point out to the House—

Mr. Speaker: Order, please.

Mr. Perrault: —that now less than 1 per cent of the claims are being delayed.

Some hon. Members: Oh, oh!

Mr. Speaker: Order please. Let me remind the House at the very beginning that we have only a 40-minute question period. I would hope that each question would not be followed by a debate. The parliamentary secretary should not, in reply to a question, make a lengthy statement.

Mr. Stanfield: In view of the extraordinary complacency exhibited by the parliamentary secretary, I should like to ask the Prime Minister whether he personally is now prepared to investigate the reasons for this tragic inefficiency, resulting in tragic suffering by thousands and thousands of unemployed persons across this country. Is the Prime Minister himself prepared to investigate this matter?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the members sitting behind the hon. gentleman had permitted him to listen to the answer, he would have discovered that the reasons for the delays were given by the parliamentary secretary. Therefore there is no need for further investigation.

Mr. Stanfield: Mr. Speaker, since the Prime Minister seems to be so complacent about this subject, may I ask him whether he is prepared, in conjunction with the House leader, to arrange for the immediate establishment of the appropriate committee and for the reference of this whole subject to that committee for investigation, particularly in view of the suffering that is taking place across this country?

Some hon. Members: Hear, hear!

Mr. Trudeau: Mr. Speaker, I would be very much prepared to discuss this with the minister as soon as he returns.

Some hon. Members: Oh, oh!

Mr. Bell: In two weeks.

Mr. Trudeau: If hon. members do not want an answer—

Some hon. Members: Oh, oh!

• (1130)

Mr. Lambert (Edmonton West): Don't be such a baby. Get up.

Mr. Muir: I thought the baby was at home.

Mr. Speaker: Order, please. Four or five or more members are seeking an opportunity to ask supplementary questions. We should try to proceed in an orderly fashion. The hon. member for York South.

Mr. David Lewis (York South): My question is directed to the Prime Minister. In view of the fact reports indicate that the Minister of Manpower and Immigration is unfortunately ill and will be away for some two weeks or more—I hope not more—and in view of the fact this issue of the payment of unemployment insurance benefits is a very real one for a good many thousands of people, because 1 per cent at the present level of unemployment involves a great many Canadians, may I ask the Prime Minister whether he could not immediately set up the committee and refer the subject to it, particularly since the Minister of Manpower and Immigration said in the press release to which the parliamentary secretary referred that he would be very glad to come to the committee and discuss the matter with its members? I ask the Prime Minister whether this could not be done today instead of being delayed for two weeks.

Mr. Trudeau: The minister did indeed indicate that that was his desire and that it would be his hope that as soon as the estimates are examined by the standing committee he would appear. I realize that this might take a few days, but if the opposition parties are prepared to continue changing our traditions perhaps we could shorten the debate on the Speech from the Throne to one or two days and then go to the estimates right away.

Mr. Baldwin: We should change the government.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I would like to ask a supplementary question.

The right hon. Prime Minister has just said that he does not expect a solution before the sittings of the committee concerned. In a letter dated January 26, 1972, the Minister of Labour stated that those problems would be solved within ten days and that a solution would be reached within 72 hours in all other cases. That did not happen.

Mr. Speaker, I would like to ask the right hon. Prime Minister whether in establishing a special committee of the House he intends to examine the administration of those cheques in order to decentralize that system to ensure a more personal and more efficient service?

Mr. Trudeau: On the facts I disagree with the hon. member, Mr. Speaker. If he knows about some specific cases he might submit them to the minister and see whether in fact a solution can be reached within 48 hours.

As to the hon. member's suggestion, I just proposed to all opposition parties, including the Social Credit party, to shorten the debate on the Speech from the Throne and to deal with the estimates now so as to consider that item.

Mr. Fortin: Mr. Speaker, the Prime Minister suggests that I should submit the cases that I have in mind, but the problem extends beyond this fact. I have already submitted over 400 cases, from my constituency alone. So I should like to put the same question to him again on the understanding that I shall forward to him at once a petition from unemployed constituents of Lotbinière who object to this inhuman system.

[*English*]

Mr. Speaker: Order, please. The hon. member for Prince Edward-Hastings.

Hon. George Hees (Prince Edward-Hastings): My supplementary question is for the Prime Minister. In view of the fact that the Minister of Manpower and Immigration stated to me four weeks ago today that this was a deplorable situation and assured me that it would be corrected within eight days, does the Prime Minister not consider that his assertion that he will discuss this matter in some two weeks when the minister is expected to return to the House is a disgraceful affront to the unemployed people of this country?

Mr. Speaker: Order, please.

DELAYS IN PAYMENT OF BENEFITS—REIMBURSEMENT OF PROVINCES FOR WELFARE EXPENDITURES

Mr. John Lundrigan (Gander-Twillingate): I would like to ask the right hon. Prime Minister whether, in view of the fact that considerable sums of money have to be expended by provincial treasuries in welfare payments because of the delays in payment of unemployment insurance benefits, procedures have been worked out with the provinces to reimburse them and whether these procedures are acceptable to the provincial governments?

Am I communicating through this sound system, Mr. Speaker, or is the Prime Minister listening to some kind of radio joke program or some television rebroadcast? The question I am asking does not seem to get a response from the Prime Minister. May I repeat my question. I ask the Prime Minister whether, in view of the fact that considerable sums of money have to be expended by the provinces in welfare payments because of the lengthy delays in the payment of unemployment insurance benefits, appropriate and acceptable arrangements have been made with the provinces to reimburse them, and have the provinces accepted these arrangements?

Right Hon. P. E. Trudeau (Prime Minister): As the hon. member knows, the federal government does pay 50 per cent of all welfare payments under CAP.

Inquiries of the Ministry

DELAYS IN PAYMENT OF BENEFITS—RESOLUTION OF DIFFICULTIES AT BATHURST, N.B., OFFICE

Mr. John Lundrigan (Gander-Twillingate): Can the parliamentary secretary, who might have a more rational response to an important question, indicate whether he has received an assurance that the situation at Bathurst, New Brunswick, has been resolved and whether there has been a meeting this morning with the students and the clients involved? Finally, can he indicate why the unemployment insurance office was closed yesterday, which precipitated more concern?

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): I am pleased to attempt to answer that question, and I want to assure hon. members that this side of the House is just as concerned as they are about the unemployed.

Some hon. Members: Oh, oh!

Mr. Muir: Why don't you do something about it then?

Mr. Speaker: Order, please. May we have order, please. Perhaps the parliamentary secretary might reply to the question.

Mr. Perrault: Thank you, Mr. Speaker. The Chairman of the Unemployment Insurance Commission, Mr. Des-Roches, together with the regional director, Mr. Foster, has met with local groups in Bathurst. It has been determined that only a small number of delayed claims have been discovered and action has been taken on them immediately. However, suggestions by leaders of local groups for improving the service will be given every consideration, and the commission is prepared to adopt any suggestion which might lead to better service in the area.

An hon. Member: That is dishonest and you know it.

Mr. Speaker: Order, please. Again I notice there are at least four or five members who are seeking to ask supplementary questions on this matter. If hon. members feel that the whole question period this morning should be spent on this one item the Chair cannot object to that, but perhaps hon. members might give some thought to allowing the Chair to suggest that hon. members go to another subject and if there is time at the end we might return to this matter. I will give another five minutes or so to the consideration of this very important matter by recognizing first the hon. member for Hamilton West.

DELAYS IN PAYMENT OF BENEFITS—REQUEST FOR INVESTIGATION BY COMMITTEE

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct my question to the parliamentary secretary. In view of the fact he said that there are some problems within the Unemployment Insurance Commission's administration and in view of the fact the minister emphatically indicated that he was in favour of the convening of the Standing Committee on Labour, Manpower and Immigration in order to deal with this matter, would the parliamentary secretary use his good influence in order to advise the Prime Minister to convene this committee so that this whole sordid mess can be looked into?

Mr. Speaker: Order, please. The hon. member is making a suggestion rather than putting a question. For the moment I will recognize the hon. member for Oxford.

DELAYS IN PAYMENT OF BENEFITS—SUGGESTED REOPENING OF LOCAL OFFICES

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question on the same matter which I should like to direct to the Parliamentary Secretary to the Minister of Manpower and Immigration who also has responsibility for the Unemployment Insurance Commission. Will the parliamentary secretary recommend to the Unemployment Insurance Commission that they reopen immediately the local offices that were closed about two years ago, at which time many members of the House in all parties warned that this would cause the mess that we now see? Perhaps this might help in resolving the problem sooner.

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): A number of additional unemployment insurance offices have been opened coincidentally with the establishment of the universality of the world's finest unemployment insurance program on January 1.

Some hon. Members: Oh, oh!

Mr. Coates: Mr. Speaker, I wish to rise on a question of privilege. A very serious situation has developed arising out of the original answer by the Parliamentary Secretary to the Minister of Manpower and Immigration with regard to the number of claims by claimants who are seeking benefits, that are not being looked after properly. The parliamentary secretary stated that either 1 per cent or less of those who are seeking benefits and who are entitled to them are not receiving the said benefits. This is the first time I have heard this figure mentioned.

Some hon. Members: Question.

Mr. Coates: Don't you worry about it, I will get to the question. When this matter was brought up in the House in December the Minister of Labour, who is now Minister of Manpower and Immigration but is still responsible for the Unemployment Insurance Commission, stated there was a 2 per cent backlog of claims not being processed properly. Later the chairman of the Unemployment Insurance Commission made a statement to the effect that 88 per cent—

• (1140)

Mr. Speaker: Order, please. I apologize to the hon. member but I must interrupt him for a moment. He took the floor on a question of privilege and the question of privilege should be identified immediately. Until now I would be inclined to think and to rule that this is a matter of debate rather than a question of privilege. Would the hon. member indicate immediately why he considers this is a matter of privilege?

Mr. Coates: This is not difficult to do, Mr. Speaker. The former Minister of Labour gave certain figures about

delays in claims and the chairman of the Unemployment Insurance Commission made a statement, not too long ago, to the effect that only 88 per cent of those people who were applying for benefits were receiving them. The minister recently made another statement, after a very short spot-check, about how many claims were being delayed. None of the statements made previously are the same as the one made by the Parliamentary Secretary to the Minister of Manpower and Immigration this morning. I think the House deserves clarification of how the parliamentary secretary has arrived at the figure he has given this morning.

Mr. Speaker: Order, please. The submission made by the hon. member is an interesting one but I think it is really a question of debate. A discrepancy in information supplied to the House cannot, by long-established practice, be raised by way of a question of privilege. I am sure there will be an opportunity to consider the matter further. I see the parliamentary secretary would like to reply to the question raised by the hon. member but I suggest that the matter should not be pursued by way of privilege and that we should attempt to pursue the question period which is quickly running out of time.

Mr. Coates: I have a further question of privilege, Mr. Speaker. What I am concerned about is that the House and the people of Canada are being misled by this figure and I do not think the matter should be allowed to stand in that way.

Mr. Speaker: Order, please. That clearly is not privilege and I have to make that ruling. I would hope that the matter would not be pursued on that basis. I appeal to hon. members that if we spend all of our time on one important matter or on points of order or questions of privilege, which are also important matters that cannot be set aside easily, we will not, I think, have a very helpful, effective and fruitful question period this morning. I hope hon. members will co-operate with the Chair for their own benefit in this regard.

Mr. Perrault: I rise on a question of privilege, Mr. Speaker. Very briefly, the point is that there has been no attempt here to mislead the House. The hon. member is speaking of two different sets of statistics.

Mr. Speaker: Order, please. Obviously the answer given by the parliamentary secretary indicates the extent to which I suggest, humbly, I was correct in suggesting this is a matter of debate. We could spend many minutes, hours and possibly days in debating what these figures mean. The Chair will recognize the hon. member for Oshawa-Whitby on a supplementary question.

REASON FOR REMOVAL OF UNPROCESSED CLAIMS FROM QUEBEC TO BELLEVILLE

Mr. Edward Broadbent (Oshawa-Whitby): Thank you, Mr. Speaker. I have a supplementary for the parliamentary secretary. Is he aware that the world's finest unemployment insurance commission moved by automobile from Quebec yesterday 5,000 unprocessed claims to the city of Belleville to be processed and, if so, what does this indicate? Does it indicate that there is a complete breakdown in the province of Quebec in terms of UIC processing claims and, further, does it indicate that claims in the province of Ontario will be further delayed?

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, I hope the member also is aware of the fact that the commission processes 600,000 claims every two weeks and 98 per cent are on schedule.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The Chair will recognize final supplementaries on this matter by the hon. member for Lotbinière and then the hon. member for Halifax-East Hants. Order, please. Apparently my voice did not carry through. I indicated I would recognize the hon. member for Lotbinière on a supplementary and I believe the hon. member for Halifax-East Hants also has a supplementary which will be the last one.

[*Translation*]

ALLEGED INSTRUCTIONS TO COMMISSION EMPLOYEES NOT TO REVEAL REASONS FOR DELAYS IN PAYMENT OF BENEFITS

Mr. André Fortin (Lotbinière): Mr. Speaker, my question is directed to the parliamentary secretary.

Is it true that officials of the Unemployment Insurance Commission have instructed the Bathurst and other offices not to divulge the reasons for the delays in the payment of benefits?

[*English*]

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): I have heard of no such report but certainly the question will be brought under review and consideration.

Mr. Speaker: The hon. member for Halifax-East Hants will have the last supplementary.

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my supplementary is directed to the parliamentary secretary. Since the new computer system created a miracle, namely, a letter to a male unemployed in Nova Scotia saying he was pregnant, could the new system be told nothing like this has happened since Adam gave birth to Eve?

Mr. Perrault: Mr. Speaker, incidents of this kind can be brought before the appropriate parliamentary committee.

Mr. Speaker: Order, please.

Mr. Perrault: On behalf of the minister, may I welcome again a review and discussion of Unemployment Insurance Commission procedures by members of the standing committee.

Mr. Speaker: Order, please. The hon. member for York South.

Inquiries of the Ministry

THE CANADIAN ECONOMY

FOREIGN INVESTMENT—ROLE OF SCREENING AGENCY—INQUIRY AS TO POLICY STATEMENT AND LEGISLATION

Mr. David Lewis (York South): Mr. Speaker, I want to ask the Prime Minister a question with regard to the control of foreign ownership. Can the Prime MInister inform the House whether the government now intends to limit the activities of its so-called screening agency with regard to foreign takeovers? I have been informed it is considering limiting them to enterprises above a certain size rather than giving the agency over-all general supervision.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I could not answer that without making the announcement of the policy itself, and I am afraid the member will have to wait for that policy announcement.

Mr. Lewis: In view of the Prime Minister's statement and in view of his frequent undertakings to announce the policy, at one time before Christmas, at another time before the session resumed and a third time as soon as the session resumed, can he inform Parliament when we may expect this statement and whether the government is also considering, as I am informed it is, some action between the time the policy statement is announced and the time when the legislation for Parliament may be ready, which may take five weeks or as long as three months, I am told?

Mr. Trudeau: Mr. Speaker, the usual answer is forthcoming. It will be as soon as possible.

Mr. Speaker: The hon. member for Prince Edward-Hastings on a supplementary.

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, as a bill on foreign ownership is listed among the bills to be brought before the House, can the Prime Minister advise the House when this bill will be brought forward as this policy statement has been promised to the country for many months?

Mr. Trudeau: Mr. Speaker, we listed the bill there as we did many other bills because it is the intention to bring them forth in an orderly fashion.

POSITION OF TRADE NEGOTIATIONS WITH UNITED STATES

Hon. George Hees (Prince Edward-Hastings): Can the Prime Minister bring the House up to date as to what has transpired regarding the trade negotiations between Canada and the United States since February 9 when Secretary of the Treasury Connally made the following statement:

The U.S. will seek appropriate means of reducing imbalances of trade with Canada.

• (1150)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, a lot of things have transpired; most of them are false. What is happening is that the negotiations are continuing between the two countries.

Mr. Hees: As a further supplementary—

[Mr. Speaker.]

Mr. Speaker: Order, please. The hon. member for York South on a supplementary.

FOREIGN OWNERSHIP—SIMULTANEOUS ANNOUNCEMENT OF POLICY AND TABLING OF SUPPORTING MATERIAL—REASONS FOR DELAY

Mr. David Lewis (York South): Mr. Speaker, I also wanted to ask the Prime Minister whether the policy on foreign ownership will be announced at the same time as the supporting material will be tabled, or whether the announcement of foreign policy will come ahead of such report or other material, and are the delays due to technical reasons concerning translation of the supporting material, and may we therefore expect this to happen by March 17, or some other date, as again I have been informed?

Right Hon. P.E. Trudeau (Prime Minister): Mr. Speaker, I am not sure where the hon. member gets all these dates. I wish myself I were able to give a very precise date. I am shying away from that. To answer the substance of the question, the intention would still be to make the policy announcement and to have the background material tabled at the same time.

In reference to another question, Mr. Speaker, I would hope these events would take place as close as possible to the introduction of the legislation because we think it would be important for the community to know what kind of details will be going into the legislation as soon as possible after the policy announcement itself.

Mr. Hees: As a further supplementary—

Mr. Speaker: The hon. Leader of the Opposition on a supplementary.

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TRADE

CANADA-UNITED STATES NEGOTIATIONS—DATE OF NEXT MEETING

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I would like to ask the Minister of Industry, Trade and Commerce whether a date has been fixed for the next meeting to take place in the course of the Canada-U.S. discussions which the Prime Minister says are continuing? Has a date been fixed for the next meeting, and can the minister indicate what the date is?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): No, Mr. Speaker. No date has been fixed yet but soundings are taking place to that effect.

Mr. Hees: As a further supplementary—

Mr. Speaker: Order, please. Hon. members will notice that there are a number of supplementaries still to be asked on this subject. Again we will attempt to move as quickly as we can because soon we will be running short of time.

CANADA-UNITED STATES NEGOTIATIONS—DISCUSSIONS BETWEEN MINISTER AND CONGRESSIONAL REPRESENTATIVES VISITING OTTAWA

Mr. James A. McGrath (St. John's East): Mr. Speaker, I wish to direct a supplementary question to the Minister of Industry, Trade and Commerce. Does he propose to take advantage of the presence in Canada of a delegation from the U.S. Congress and meet with them privately in order to put forward Canada's position?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I would love to be invited to do so and I would do my best to attend if I were invited. But I point out that there are quite a number of learned Members of Parliament taking part in these discussions and I rely on their wisdom and intelligence to put forward the Canadian point of view.

* * *

THE CANADIAN ECONOMY

FOREIGN INVESTMENT—REASON FOR DELAY IN MAKING POLICY STATEMENT

Mr. David MacDonald (Egmont): Mr. Speaker, I wish to direct a supplementary question to the Prime Minister concerning the government's position with regard to foreign investment. In view of the fact that the Prime Minister assured me on more than one occasion last year that these papers and announcement of the government's position were merely awaiting translation and this would be a matter of days, is it a fact that the lengthy delay in announcement of the government's position relates either to new developments with regard to the government's position, or is it due to an inability on the part of the government to make up its mind on this important question?

Right Hon. P. E. Trudeau (Prime Minister): Neither, Mr. Speaker. The government's mind is made up on its general policy position. I indicated a moment ago that this policy position was to be made public at a time when we could also have the background material, and at a time when we would be sufficiently close to tabling legislation for first reading that there would not be a great deal of uncertainty in the minds of the Canadian public as to how our policy would in fact apply.

Mr. MacDonald (Egmont): As a further supplementary—

Mr. Speaker: Order, please. I will allow one last supplementary from the hon. member for Egmont. Hon. members will realize that we have not yet completed the first round of questioning. As a matter of fact we are only on the second question. After that I will have to recognize the representative of the other party to my left. For the moment the Chair will recognize the hon. member for Egmont on a last supplementary, and will again attempt later to see the hon. member for Prince Edward-Hastings who has an additional supplementary.

Mr. MacDonald (Egmont): Mr. Speaker, could the Prime Minister clear up one mystery and indicate why it has taken two months longer than he originally indicated to complete this important task?

Mr. Trudeau: I think we need more one-handed economists, Mr. Speaker. As the hon. member knows, economists generally argue on the one hand, and then on the other hand.

Some hon. Members: Oh, oh!

[*Translation*]

Mr. Henry Latulippe (Compton): Mr. Speaker, I wish to ask the Minister of Agriculture a question—

[*English*]

Mr. MacDonald (Egmont): On a point of order—

Mr. Speaker: Order, please. The hon. member for Egmont rises on a point of order.

Mr. MacDonald (Egmont): Is there nothing we can do with underhanded Prime Ministers?

Some hon. Members: Oh, oh!

* * *

[*Translation*]

AGRICULTURE

SMALL FARM ASSISTANCE PROGRAM—INCLUSION OF ABANDONED FARMS

Mr. Henry Latulippe (Compton): Mr. Speaker, my question is directed to the Minister of Agriculture.

Since a considerable number of owners of abandoned farms follow with much interest the policies put forward by the minister, will he tell us if his family farm development program will take into account abandoned farms and if he will raise this question with each of the provinces?

[*English*]

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, we will certainly be taking this into account, but the major thrust of the program in the initial stages will be to assist those people who are caught in a situation beyond their control with respect to their income and who are in fact now farming.

* * *

AIR TRANSPORT

STATE OF SERVICES—MAINTENANCE OF SAFETY—POSITION REGARDING ALLEGED VIOLATION OF LAW BY CERTAIN TECHNICIANS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I would like to direct a question to the Minister of Transport. In light of the strike affecting air services, would the minister advise the House as to the state of air services at this particular time, with particular reference to safety?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, the state of air services varies from one airport to another throughout the country. Therefore any general declaration is not possible at this time other than to say to the hon. member that the primary demand we are putting upon our officials and the public is that the safety laws be

observed to the maximum. Where we have the personnel there are more flights, for instance, per hour than where there is a shortage of personnel, but I cannot give the figures at specific airports because the situation does vary from one hour to the next.

Mr. Alexander: As a supplementary question, Mr. Speaker, in light of the fact that some technicians are supposed by law to remain on the job and as there are allegations to the effect that they have not, would the minister advise what his position is with respect to this matter?

Mr. Jamieson: I am not sure I heard the question correctly and I apologize to the hon. member. Would he be good enough to repeat the question?

Mr. Alexander: I understand, Mr. Speaker, that by law some members of the technicians group are supposed to remain on the job to maintain services and that they are flouting the law. In light of this would the minister advise what his position is and whether any direction has been given to alleviate that situation in order that safety can be maintained?

Mr. Jamieson: Let me deal with the final observation of the hon. member first, Mr. Speaker. So far as maintaining safety is concerned, that is being maintained. Where—and I am using the hon. gentleman's comment, not my own—some technicians are flouting the law, this is a regrettable state of affairs. I am advised that they have been told to return to work by their own union but have not done so in some instances. In view of this action we will now, in conjunction with Treasury Board, have to make a decision on what the next step will be. But I want to emphasize again that there is no relationship whatever between any flouting of the law and our determination to maintain safety. Where the safety factor is concerned it takes precedence over everything else. We will only allow that amount of flying out of any airport that conditions permit within the framework of safety.

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AIRPORTS

TORONTO—INQUIRY AS TO SITE OF SECOND INTERNATIONAL FACILITY

Mr. A. D. Hales (Wellington): Mr. Speaker, I wish to direct a question to the Minister of Transport. Now that we are on the subject of airports, can he advise when he will announce the location of the new auxiliary airport in Ontario and, if he cannot announce it today, when may we expect an announcement?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, since the House last met there have been very satisfactory further negotiations with the government of Ontario. I do not say this at all unkindly but there has been a change of ministers in the last week or two, which has made it necessary for the new Ontario minister to become more fully briefed on the matter. I have indicated that I am prepared to meet him at any time now with a very definitive proposal with which the government of Canada is prepared to proceed. I have reason to believe that this will not be very far off, and given those parameters I would hope for an announcement within a couple of weeks or as soon as the government of Ontario is ready.

* * *

• (1200)

ROYAL CANADIAN MOUNTED POLICE

REQUEST FOR TABLING OF ALLEGED REPORT RECOMMENDING DISSOLUTION AND REPLACEMENT OF FORCE

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I wish to direct an unprovocative question to the Solicitor General. I do not want to disturb the peace of this wonderful day and question period, so I simply ask whether he would be prepared to table the recommendations and report of a group of officials set up for the purpose of looking into the Royal Canadian Mounted Police in which the suggestion was made that there should be a dissolution of that force and another name given to the national force next year, providing this government is returned?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, as for the first part of the hon. member's question, it is based on facts I am unaware of; in other words, it is not at all intended to change the functions and duties of the RCMP.

As for the second part of his question, the hon. member alluded to the elimination of the word "Royal" from the RCMP's name. This is not envisaged at all. I think the hon. member was temporarily away from the House yesterday. He would have noted that the anti-royalists are on his side.

[*English*]

Mr. Diefenbaker: A supplementary question, Mr. Speaker. Perhaps I did not make myself clear enough so that the hon. gentleman could understand. I ask him if he will table the report that is on his desk that recommends the end of the Royal Canadian Mounted Police and the setting up of another force similar to the security Gestapo that has already been set up?

[*Translation*]

Mr. Goyer: Mr. Speaker, such relationship exists only in the hon. member's mind.

[*English*]

Mr. Diefenbaker: Oh, no—it is on your desk.

* * *

ELECTIONS

GOVERNMENT POSITION ON INTRODUCTION OF LEGISLATION DEALING WITH EXPENSES—POSSIBILITY OF EARLY IMPLEMENTATION

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I have a question for the right hon. Prime Minister. In view of the commitment he has given on several occasions since June 1968, and in view of the fact that the report of

the Standing Committee on Election Expenses has been before the House for some eight months, I would ask whether the Prime Minister can tell the House now if it is the intention of the government to bring in legislation to deal with the matter of election expenses in time for it to be implemented before the next election.

Right Hon. P. E. Trudeau (Prime Minister): I am told, Mr. Speaker, that would be an impossibility. Even if the legislation were passed now, unless we were going to have an election very late indeed, or even beyond the constitutionally permitted time, it would be difficult to have legislation effective in time for that election.

Mr. Benjamin: A supplementary question, Mr. Speaker. May I ask the right hon. Prime Minister, in view of the fact that we have had an indication from election officials that it would only require two or at the most three months to fully implement legislation dealing with parliamentary election expenses, and in view of the fact that a prominent official of the Liberal party has stated that 95 major Canadian corporations are being solicited for funds for the Liberal party, can he have the legislation brought forward into this chamber so that it may be effective by election time?

Mr. Speaker: Order, please. That is obviously argument and the question is not in order. The hon. member for Joliette.

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[*Translation*]

FAMILY INCOME SECURITY

FAMILY ALLOWANCES—STATUS OF NEGOTIATIONS WITH QUEBEC

Mr. Roch La Salle (Joliette): Mr. Speaker, in view of the absence of the Minister of National Health and Welfare, I would like to direct a question to the right hon. Prime Minister.

Would the hon. gentleman indicate to the House whether the negotiations between the government of Quebec and Ottawa regarding family allowances have come to an end and whether the federal government is prepared to give in to the demands of Mr. Castonguay?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the discussions are still proceeding. Meetings have taken place between officials and even between Mr. Bourassa and myself. We have discussed the problem. The federal government's position is unchanged since my last statement to the House on the subject. We are prepared to consider a set of proposals aiming at improving the administration of the various federal and provincial programs.

FAMILY ALLOWANCES—EXERCISE OF LEGISLATIVE POWER BY QUEBEC

Mr. Roch La Salle (Joliette): Mr. Speaker, in view of the fact that the Quebec government seems to emphasize one condition—that it be granted legislative power in the matter of family allowances—would the Prime Minister indicate whether he approves that request from Quebec?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if, as I understand the question, it concerns legislative power, the Quebec government has of course every power to pay whatever family allowances it wants to pay, in the same manner as does the federal government, since in effect we have been paying such allowances for over 25 years. So if the Quebec government wants to continue its system of payments and increase its payments to the citizens of that province, the federal government cannot oppose this in any way.

The problem is rather to know whether the two systems can be integrated, and I have already told Premier Bourassa that I agreed in principle. It is now a matter of establishing administrative terms which both governments will find satisfactory.

* * *

[*English*]

ELECTIONS

POSSIBLE REPLACEMENT OF TWENTY LIBERAL MEMBERS FROM QUEBEC AS CANDIDATES

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question supplementary to that posed by the hon. member for Regina-Lake Centre to the Prime Minister. Would the Prime Minister bring the House up to date regarding the situation surrounding the 20 Liberal members from Quebec whom he is not going to allow to run and is going to replace with more suitable candidates in the next election?

Mr. Speaker: Order, please. That question is not in order. The hon. member for Calgary North.

Mr. Hees: Mr. Speaker, I have a question of privilege.

Mr. Speaker: The hon. member should state the question quickly because we have just about run out of time.

Mr. Hees: Mr. Speaker, my question of privilege is that I believe every member of this House has a right to take an interest in the welfare of his fellow members of this House, and I want to make sure that they are generously treated when they are kicked out by the Prime Minister.

Mr. Speaker: Order, please. The hon. member for Calgary North.

Mr. Trudeau: Mr. Speaker, I would—

Mr. Speaker: If the Prime Minister rises on a question of privilege I would recognize him, but obviously that was not a legitimate question of privilege which was proposed by the hon. member for Prince Edward-Hastings and that is why I interrupted him.

Mr. Trudeau: Mr. Speaker, it does affect all hon. members that we do intend to kick out a lot of hon. members, most of whom are sitting in the opposition.

Some hon. Members: Hear, hear!

Mr. Hees: Would you like to take a bet on Prince Edward-Hastings? Put your money on the line—put up or shut up. A thousand dollars on Prince Edward-Hastings—

put up or shut up. He won't put his money where his mouth is.

An hon. Member: That is too much for you, George.

An hon. Member: Think first, George.

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ADMINISTRATION OF JUSTICE

YVES GEOFFROY—REQUEST FOR STATEMENT ON RELEASE FROM ST. VINCENT DE PAUL PENITENTIARY

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask a question of the Solicitor General in reference to a matter which I know must be of some concern to him. It deals with, I assume, a friend of his, Yves Geoffroy, who was released wrongfully from the penitentiary. Is the minister prepared to make a statement on motions either now or soon in reference to this matter in order to have the facts laid before Parliament?

An hon. Member: Like you just did.

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, first of all, I should like to put an end to the regrettable rumours circulated by the press that Mr. Geoffroy is a friend, an acquaintance or a university colleague.

I do not know, I have never known Mr. Geoffroy. He is not among my acquaintances, and never was a university colleague.

As to the advisability of a statement, if the opposition insists on it, I am ready to make one, probably on Monday. I do not think the subject is important enough to take the time of the House to deal with it, not today in any case, in view of my high regard for the statements the party leaders will make in a few minutes.

[*English*]

Mr. Woolliams: A supplementary question, Mr. Speaker. In light of the fact that there has been a tremendous increase in the crime of murder, and in light of the fact that this man was convicted of murder and sentenced to life imprisonment in the penitentiary, I think this matter is important in relation to the administration of justice so I would ask the minister if he would give us an undertaking to make a statement at least by Monday?

An hon. Member: That is what he just said.

[*Translation*]

Mr. Goyer: With pleasure, Mr. Speaker.

* * *

[*English*]

VETERANS AFFAIRS

REQUEST THAT WAR VETERANS ALLOWANCES NOT BE REDUCED FOLLOWING INCREASE IN GUARANTEED INCOME SUPPLEMENT

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Veterans Affairs. Have the necessary steps been taken so that war veterans allowance recipients who are also receiving the guaranteed income supplement will not have their allowances cut back when they receive the $2.70 increase in the guaranteed income supplement which is to become effective in April?

Hon. Arthur Laing (Minister of Veterans Affairs): Mr. Speaker, my predecessor made a commitment to this House that this would be corrected long before April 1 and I intend to keep that date.

Some hon. Members: Hear, hear!

* * *

• (1210)

POLLUTION

NEW LEVIES ON OIL TANKER SHIPMENTS TO PROVIDE CONTINGENCY FUND IN CASE OF SPILLS—REQUEST FOR REVIEW

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, my question is for the Minister of Transport. In view of the apparent hardship to new industry in the Maritimes owing to the publication of the regulations on oil levies for control of pollution, would the government look these over, let us know what the full story is behind them, make certain they are fair to everybody and publicize in some way the whole matter?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I can say emphatically that they are fair to everybody in the sense that they are being applied across the board. May I also remind the House that the legislation under which these levies are being exacted was passed, I believe unanimously, by this House. There is a necessity for a contingency fund to deal with clean-up. I can assure the House and the hon. member that when we feel there is an adequate amount in this fund to take care of emergencies, the levy will be either reduced or dropped, depending on conditions at that time.

Mr. Bell: A supplementary question, Mr. Speaker. What is the amount of the fund?

Mr. Jamieson: Mr. Speaker, if I understood the hon. member rightly, he asked what is the amount. The amount is 15 cents per ton at the present time.

Mr. Bell: Mr. Speaker, excuse me. What will be the amount of the fund? To what amount does the minister expect the fund to build up?

Mr. Jamieson: Mr. Speaker, no upper limit has been put on it because of the limited amount of experience we have had. May I remind the House that the *Arrow* incident cost the taxpayers of this country in the neighbourhood of $4 million plus and that the one facing us now in Prince Edward Island will probably cost $2 million plus. A reasonable figure might be somewhere in the neighbourhood of $25 million or $30 million.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed, from Thursday, February 17, consideration of the motion of Mr. Ross Whicher for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Mr. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to begin by congratulating the mover and seconder of the address in reply to the Speech from the Throne. I wish to congratulate the hon. member for Bruce (Mr. Whicher). He spoke forcefully and in an entertaining way. Furthermore, he supplied us with a certain amount of ammunition to be used against his party. One cannot ask much more of the hon. gentleman.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Stanfield: I should also like to congratulate the hon. member for Trois-Rivières (Mr. Lajoie) who seconded the motion on the Address in Reply to the Speech from the Throne. He expressed on the subject of Canada feelings that deserve to be remembered.

[*English*]

I should also like to greet the new cabinet, Mr. Speaker, and to congratulate the hon. member for Calgary South (Mr. Mahoney) on his elevation.

Some hon. Members: Hear, hear!

Mr. Stanfield: His efforts to bring some measure of comprehensibility to the tax legislation may not have been successful, but that was not perhaps entirely his fault. The fault lay largely within the bill itself. In any event, the hon. gentleman demonstrated a capacity for hard work which will serve him in good stead for whatever time the follies of his colleagues may allow him to stay in his new portfolio. The other cabinet changes are of interest to this House primarily for one reason: they show another side of the Prime Minister's character. His reputation in this House and in the country has generally been the reputation of a fighter. He has given the impression on many occasions of a man who does not easily change direction. However, on this occasion, with an election coming up, he has shown that when political circumstances warrant it, he would rather switch than fight. As for the new Minister of National Defence (Mr. Benson), I can simply say that the appointment is substantially appropriate, particularly in view of the substantial number of successful search and destroy missions that the minister carried out in his former portfolio. As for the new Minister of Finance (Mr. Turner)—

An hon. Member: Poor John!

Mr. Stanfield: —one can only say that greater love hath no man.

An hon. Member: Get on with the debate.

Mr. Stanfield: I will not spend much time in discussing the Throne Speech itself.

Some hon. Members: Oh, oh!

Mr. Stanfield: There were a few—

Some hon. Members: Oh, oh!

Mr. Stanfield: There were a few, specific, positive measures.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. Perhaps the Leader of the Opposition (Mr. Stanfield) will not mind my interrupting him for a moment. I must bring to the attention of hon. members that what must be considered as rude remarks are disturbing some hon. members and are certainly disturbing the Chair. They have been coming from certain parts of the chamber during the time when the hon. member who has the floor has been speaking. I think they are entirely unbecoming and unacceptable to the Chair. I hope that all hon. members will co-operate.

Mr. Hees: The people across the way are a rude lot.

Mr. Stanfield: Mr. Speaker, there were some positive measures that I was pleased to see in the Speech from the Throne, measures such as the commitment to improve the Canada Manpower programs. Certainly, any additional steps to improve training and placement services and to make them more adequate for meeting the needs of specially disadvantaged peoples of Canada are very welcome indeed. I was interested in seeing that the federal government has announced its intention to become involved in legal aid. I should like to know what there is new about that, because if this government was not rendering legal aid to Yves Geoffroy, what was it doing!

Some hon. Members: Hear, hear!

Mr. Stanfield: The speech also stressed the need for harmonious relations with the provincial governments. I would not have thought that was necessary at this point. I was under the impression that the Prime Minister (Mr. Trudeau) had established harmonious relations between the federal government and the provinces once and for all time, in view of the gracious tribute that he paid recently to the Prime Minister of British Columbia. So, on the whole, I cannot take the speech seriously.

In the circumstances of 1972, it is clear that the government is not capable of implementing effective long-term policies for solving our major economic and social problems in Canada. After all, this government has had four non-election years when it could have set out on that task. It did not do it then. Why should we expect better of it now? The speech is obviously the work of a government that is in love with itself to the point of total blindness. It is too bad that there was a near miss with the calendar, because this throne speech ought to have been presented on Valentine's Day. Surely, it is one of the most glowing hymns of self-love in all the annals of romantic literature.

Some hon. Members: Hear, hear!

Mr. Stanfield: The just society has disappeared. In the previous throne speech it was described as a distant ideal. I guess that the distance has increased now to the point where it is completely out of sight now so far as this

government is concerned. The just society has now been replaced, apparently, by an obsessional concern about isolation. I can understand this government's being concerned about isolation. It must be feeling plenty of it right now.

Much of the legislation proposed in the speech appears to be a hangover, holdover or leftover. "Heritage Canada" is something new. It is an interesting plan. The speech indicates that it is intended "to ensure the preservation of items and collections from Canada's past". Well, Mr. Speaker, the government certainly fits that description. Let us stuff the government for preservation, before it is too late.

Some hon. Members: Hear, hear!

Mr. Stanfield: I do not believe the people of Canada will take this government seriously. It is a bit much for an ostrich to try and pass itself off as a peacock.

The Prime Minister prides himself on being decisive. Strangely enough, he cannot seem to decide on what basis he wants the people of Canada to judge him at this stage in his career. At one moment he invites us to compare 1972 with 1968. In other words, he asks us to judge him on his record. Another time he says it is his future plans that count and that the past is not really important. I am inclined to agree that the record of past achievements is better forgotten if we consider the political welfare of the present government. This government has been in office under the present Prime Minister for almost four years.

• (1220)

I think we should take up the Prime Minister's invitation and look at what his government has done. I should devote a little time today to make a comparison between 1968 and 1972. I think it would be rather instructive for us all. After all, we have to judge the performance of this government in the coming weeks and months by its record in recent years. Four years ago the government suggested that it had a game plan. The first couple of years were to be for housecleaning. Then, we were to be treated with measures leading up to the just society. As I said a moment ago, there is no reference to the just society in the present Throne Speech. I guess that is not part of the new game plan. Indeed, the concepts of the just society seem to have become a political embarrassment to this government. The only game plan this government has is a political one; that is now very obvious to the Canadian people.

It is likewise obvious that from the very start this government has been living in a world of its own. It had slogans to be sure. The just society was one of those slogans, but the role of those slogans was not to describe the directions the government proposed to take. The role of those slogans was to hide the fact that the government was offering few policies of any relevance, and to hide the fact it had no co-ordinated program of economic management to give to the Canadian people.

Some hon. Members: Hear, hear!

Mr. Stanfield: All too much of the government's game plan has been centered around a timetable, a timetable geared to re-election, not geared to the needs of the people of Canada.

I think the economy of Canada will be moving a little faster than last year. If that does happen, it certainly cannot be credited to the government's recent discovery of industrial strategy as a catch-phrase in the recent Speech from the Throne. The government's record has earned it the reputation of having a mechanistic view of the economy. The new Speech from the Throne tried to assure us that the government will be attempting to bring in proposals of tremendous importance to the future during the next few weeks. We are holding our breath. We are wondering if those new suggestions will equal in importance the fantastic breakthrough the Prime Minister achieved with the President of the United States last December.

Some hon. Members: Hear, hear!

Mr. Stanfield: That is a pretty hard act to follow. When I first read the Speech from the Throne, I thought there was a mistake in spelling in the reference to industrial strategy because, from the behaviour of the government, I thought it was completely committed to industrial tragedy.

Some hon. Members: Hear, hear!

Mr. Stanfield: When I say I think the government is confused about its direction, I do not mean to suggest that the government has lacked ambition. The record is pretty clear on that.

[*Translation*]

The Tax reform in itself was a challenge. But when the white paper on tax reform was finally completed the government had reached new heights in the art of spreading confusion, uncertainty and dissatisfaction across the country.

For a short period of time, following pressures exerted by an irritated Canadian public, it was thought that the government would come to its senses. But its stubbornness had not been taken into account. With its new tax bill and its amendments to amendments amending the amendments that were constantly piling up over this monstrosity this government was determined to go all the way with its nonsense and confusion spreading.

[*English*]

The climax came when the government imposed closure to squelch further meaningful debate on its so called tax package.

Some hon. Members: Hear, hear!

Mr. Stanfield: At the same time the government announced closure, it announced it was bringing in still more amendments to its own bill. This is one of the more incredible things this incredible government has perpetrated. In its wake, it left a tax jungle across this country and it left the small businessman, including the farmer, beset by a tax structure that means he will need an expert at his elbow every moment of the day when he is making a decision.

With regard to economic management, the record of the government since 1968 is abundantly clear. Inflation is

still with us and unemployment has increased disastrously since 1968. Yes, I say inflation is still with us, despite the announcement of the Prime Minister some 14 months ago that it was licked.

What has the government done? On behalf of the old age pensioners, the government continues to behave as if there were no inflation in this country. The government froze the basic pension and froze the increase in the supplement for the neediest senior citizens at a paltry two per cent a year, regardless of how much the actual cost of living might go up during that year. In its courageous war against the dragon of inflation, the government has put the pensioners in the vanguard of the battle. It was said a few years ago in connection with what was called the war against poverty that there was never a shot fired. I must admit that in the war against inflation at least two shots have been fired, one against the unemployed and another against the older people of this country.

Some hon. Members: Hear, hear!

Mr. Stanfield: The Prime Minister, on a number of occasions, in defending his so-called war on inflation said he was motivated by his government's concern for the little people. Forget for a moment about the hundreds of thousands of little people thrown out of work through the government's deliberate policy of slowdown. This had to be done to protect the interests of other little people we were told, people on fixed incomes, our pensioners. By virtue of the government's legislation, overall a pensioner with no other income is only allowed a maximum annual increase of less than one per cent of what he receives.

We are all well aware of what has happened to retail food prices alone since the government enacted its revised old age security legislation. The tragedy of a pensioner in this country trying to keep pace with that kind of price increase, with no other income but a pension that only increases at a rate of less than 1 per cent per year, is shameful.

Some hon. Members: Hear, hear!

Mr. Stanfield: The thought of it should fill us all, particularly the government, with a deep sense of guilt and a will to correct this inhumane situation as quickly as possible, but I hear no sounds of guilt from the government. Indeed, yesterday the hon. member for Bruce stated that our senior citizens had achieved the just society in Canada.

Some hon. Members: Oh, oh!

Mr. Stanfield: I hear no more mention of even those little people from the Prime Minister. Regrettably, there is no indication in this Speech from the Throne that the government intends to correct this terrible injustice. How can this government be taken seriously in its glib platitudes about isolation when it ignores the isolation of so many Canadians who have made their contribution and deserve at least humane treatment? The plight of the old age pensioners is much like the blight of unemployment. The Trudeau government knows how to cause it, but does not know how to cure it.

Some hon. Members: Hear, hear!

Mr. Stanfield: About a year ago I travelled across Canada to highlight the plight of the jobless.

Mr. Guay (St. Boniface): Oh, oh!

Mr. Stanfield: I want to assure the hon. member for St. Boniface (Mr. Guay) that I was very closely in touch with what was happening. I was glad to hear the announcement of the legalization of marijuana. When I travelled across the country a year ago I did not profess to know all the answers to the unemployment situation. But at that time the government refused to admit that a problem even existed. Our party had four or five constructive suggestions to offer.

• (1230)

Mr. Guay (St. Boniface): On a question of privilege, Mr. Speaker. The Leader of the Opposition (Mr. Stanfield) is again making general allegations that he cannot substantiate. I should like him to retract a statement he made that while he was on holiday in Guadeloupe he heard I had said that marijuana was to be legalized. That is untrue, and I think the hon. gentleman should retract that statement. I never said anything of the kind. If he heard it while he was on holiday it goes to show he was not—

Mr. Speaker: Order. I think the House should be allowed to hear the Leader of the Opposition pursue his speech. It is a long-established rule that hon. members have to accept the word of another hon. member. I do not think this matter should be the subject of further debate.

Mr. Stanfield: I do not wish to be unfair to the hon. member for St. Boniface (Mr. Guay); it is the last thing in the world I want to be. I feel very friendly toward him. He is a great help to me in the House.

Some hon. Members: Oh, oh!

Mr. Stanfield: A year ago we were trying to persuade the government to show some real interest and take some constructive action in fighting unemployment. We made some suggestions for getting the economy rolling again. At that time the Prime Minister called me Canada's chief doomster. In effect, though, he admitted I was right when ten months later his government cut taxes, even though it was then too late for this measure to bite into the heavy burden of unemployment Canada is carrying and will continue to carry for the rest of this winter; indeed, too late to achieve even a 4 per cent rate of unemployment prior to the middle of 1974, according to the Economic Council of Canada.

A year ago, the government pretended the problem did not exist. This year we have two new responses from the government. The Prime Minister says there are lots of jobs around. He says there are lots of "help wanted" ads. I do not know when he started to read them. For a while I suspected he had begun a course in statistical optimism sponsored by the former minister of finance. But I have to assume there just might be something in what the Prime Minister is saying when his old friend Pierre Vallières found a good job so easily. Second, we find the new Minister of Manpower (Mr. Mackasey) keeping up a brave front as he is faced by the shocking foul-up in getting unemployment insurance payments out in decent time.

According to that minister—and I am sorry he is not in the House today—this is the fault of the applicants, who lack expertise in filling out complicated forms.

Mr. Prud'homme: On a point of order, Mr. Speaker. I am sure the Leader of the Opposition would not wish to leave the impression that Mr. Vallières had been hired by the federal government. If that is what he said, I should like to point out that it is untrue; it is not in accordance with the facts.

Mr. Speaker: Order. That is debate; I suggest to the hon. member that he will have an opportunity to participate in the debate and to indicate what he feels the facts to be.

Mr. Stanfield: I did not say that. If the hon. member, who I respect also, will read what I said he will see I did not say that.

The minister's explanation about the difficulties in relation to unemployment insurance payments seems to suggest that since some of the applicants lack expertise in filling out complicated forms the computer does not like certain of these applications and consequently rejects them. But, of course, if a person is plugged in enough to know how to complain to a member of Parliament or articulate enough to write a scathing letter to the editor he may see some action with regard to his payment. The Speech from Throne assures us that no relief from this process is in sight. It says: "The fundamental reform of protective measures which commenced last year with the new Unemployment Insurance Act will continue." Sir, God help the unemployed.

Some hon. Members: Hear, hear!

Mr. Stanfield: I suppose it is only a small percentage of the population which is directly affected, anyway. The minister reassures us as to that. Not everyone has been touched directly by unemployment, and for those who have not, by the government's yardstick, things have never been better. The hon. member for Bruce told us yesterday that things had never been better for the people of this country. This cynicism ignores the reality. If unemployment is not touching everybody personally it is certainly costing everybody who is in employment, money. Cities and provinces are obliged to shoulder welfare costs, costs which rocket when unemployment goes higher, costs which have to be met through additional local taxes. And the cost to the economy in lost productive capacity is staggering. Then, there is the human cost to be considered.

I said about a year ago that protracted uncertainty about government policy and lack of confidence in the government were contributing to a hesitant economy particularly in the case of businessmen who did not know what kind of year they would be facing, did not know under which tax laws they would be living and did not really know whether the government wanted them to stay in business or not. That is not a very good environment in which to create jobs.

The present government certainly has an unenviable record in the amount of alienation it has created in various sectors of the economy. Since 1968 it has alienated the agricultural community by insulting large sections of it, by downgrading the family farm and by trying to turn the whole rural way of life into a public utility. This was not its only proving ground for alienation experiments. Consider its success in alienating our native peoples. Since 1968 the government has taken a stance of confrontation with labour just as it has with business. Since 1968 the government has alienated region after region in Canada. It has alienated the west by its disregard for the feelings of western Canadians in the fields of agriculture, resource development and economic growth. It has alienated the central provinces by its rigidity in federal-provincial affairs and by its arrogance generally. It has alienated the Atlantic provinces by its callous disregard of the regional impact of its economic policies and by its total failure in the area of regional disparity. In this field I do not believe even the truest Grit could argue that the Minister of Regional Economic Expansion (Mr. Marchand) has achieved much success, certainly not with half the country presently designated as areas of slow growth. As a climax to his performance, the Minister of Regional Economic Expansion resorted to using the economic mismanagement of his own government as an excuse for lack of progress. "How can you expect much", he said, "when the entire economy is as sluggish as it has been?" Well, Mr. Speaker, the answer is obvious: you cannot expect much in those circumstances.

• (1240)

The Atlantic Provinces Economic Council in its fifth annual review assessed DREE and made some specific criticisms, criticisms that members of the Progressive Conservative party had been making for some time. APEC said that targets had to be established, that regional planning should be directed more within the region, and efforts should be made to broaden the economic base since most manufacturing continues to be resource-oriented. The approach of the federal government in this area must be fully co-ordinated. It is incredibly negligent to have departments working at cross purposes, as we have had since 1968. We need a full assessment of DREE and its failure.

There should be more decentralization of decision making in the government, and certainly this applies in particular to the Department of Regional Economic Expansion. Perhaps if there were more real consultation the department would make fewer costly mistakes and get ahead faster. When faced with this criticism in the House of Commons, the minister made one of the most outlandish arguments that I have ever heard made in the course of defending the government's programs. He said that although the Atlantic provinces were in worse shape in absolute economic terms than they had been before the slow-down, they were really in much better shape relatively because the government's over-all economic slowdown had severely affected the more well to do regions of the country.

The terrible truth, Mr. Speaker, is that that kind of looking glass logic is surely the most emphatic kind of self-condemnation. If the economic slowdown which the government so callously inflicted on this country had a serious impact upon the more well to do parts of Canada, would it not follow that those regions would soon become preoccupied with their own problems? Would this kind of process not lead to a weakening of their will to be the

helpmates of disadvantaged regions of Canada, and is this not actually happening? Is this any way to pursue national unity, to pursue a just society? Not in my books it is not, Mr. Speaker. When you are prepared to take pride in the doubtful accomplishment of having made the weak appear to be relatively stronger by virtue of making the strong weaker, you have in fact declared bankruptcy by any accounting of your sense of national responsibility.

In the field of foreign policy the government has, as far as I am concerned, an erratic scorecard: there are some achievements that I approve of and a number of moves that I consider to be quite irrational. In the latter category was the government's unilateral decision to reduce Canadian participation in the operations of the North Atlantic Treaty Organization. I think that that decision damaged our country in at least two different ways. First, we weakened the impact of our voice in the councils of NATO at a time when the importance of that body as a diplomatic force in the quest for peace and disarmament was growing by leaps and bounds. Considering our own expressed concern in this area, I would suggest that the government's decision and approach was, at the very least, illogical.

Secondly, our partial withdrawal from Europe gave the impression over there that Canada was not really very interested in its relationships with continental Europe, and that impression has not helped us at all in this country's efforts to ensure favourable economic relations with the European Common Market.

Mr. Sharp: Why do you promote that point of view, then? It is not the government's point of view, but maybe it is the Leader of the Opposition's?

Mr. Stanfield: Mr. Speaker, I do not rate the Secretary of State for External Affairs (Mr. Sharp) as one who always understands things, but I thought I had put it simply enough for him to understand. There is no question but that the reduction of the Canadian commitment to NATO gave the impression in the capitals and countries of Europe that Canada was not much interested in relationships with Europe.

Some hon. Members: Hear, hear!

Mr. Stanfield: The minister can shake his head all he likes, but like other Canadians who have visited Europe since that decision was made I know it is only too true.

Mr. Hees: Mitch does not get around enough to know about that.

Mr. Stanfield: I want to touch on one other foreign policy criticism which relates to how the government has behaved in the course of the improvement in our relations with the Soviet Union. I want there to be absolutely no doubt that I welcome such improvement. We should by all means talk frankly and in the most cordial possible terms to each other, and I did not, and I do not, express reservations about the exchange of visits between Soviet and Canadian leaders. But I do not consider it appropriate for a Canadian Prime Minister to express concern in public in the Soviet Union about our relations with our neighbour, the United States. Neither do I believe it appropriate for the Premier of the Soviet Union to pronounce publicly on those same relations here in Canada, especially when the Prime Minister of Canada does not dissociate himself from any of those assertions. Incidentally, I was quite pleased to see the Prime Minister dissociate himself from certain remarks about NATO which were made by the President of Yugoslavia.

Canadians object, and rightly object, if there is any indication that Washington is interfering in the conduct of our external affairs. The same ground rules should obviously apply to Moscow, as they should to any other part of the world. The sheer closeness of the United States, the intensity of our mutual economic interaction, combined with the distance between us in terms of wealth and in terms of power—all these things guarantee that there will be problems in Canadian-United States relations without anybody having to do anything deliberately to worsen the situation. To do so is to act irresponsibly toward the people of Canada. Furthermore, it is degrading to an otherwise very worth-while endeavour.

When I get on to the topic of our relations with the United States, particularly in the course of an assessment of the government's record since it took office, I cannot help but think about how the "just society" became the "secret society" when it came to the elusive Gray report. The Gray report, you will remember, Mr. Speaker, was commissioned as an analysis of the problem of foreign investment in Canada. It was to tell us the facts and recommend solutions. For that reason it was, and it is, a vitally important document to every Canadian.

After first promising that the report would be released and open for discussion, the government did an about face and decided that the report was too much for the Canadian people, that the people would be protected by making the report a confidential cabinet document. That, Sir, was not only insulting, it was stupid and self-defeating. The result was a leak that became a flood. First, there was what purported to be a summary of the report published by the Canadian *Forum*. That was quickly followed by the Southam News Services publication of a secret cabinet document. That cabinet document showed clearly that the government had tried to mislead the Canadian people when it suggested that the Canadian *Forum* paper was not really very important.

Mr. Guay (St. Boniface): One of those heavy water leaks, Bob.

Mr. Stanfield: A heavy water leak is nothing compared with the flow coming from this government. I feel sorry when the hon. member for St. Boniface is reduced to the point of coming back to heavy water, because it indicates that he is in a very sad state of bankruptcy.

Mr. Korchinski: He is a pothead on a trip.

• (1250)

An hon. Member: Go back to the grass.

Mr. Hees: Some grass!

Mr. Stanfield: I do not want to irritate these people unnecessarily. I understand that the morale is not very high there anyway.

Some hon. Members: Hear, hear!

Mr. Hees: They tell me the group of 20 is growing every day.

Mr. Deputy Speaker: Order, please. The Leader of the Opposition has the floor.

Mr. Stanfield: I do not want to give anybody over there a bad weekend, Mr. Speaker.

Before the recess the Prime Minister told us that the government had settled on its policy with regard to foreign investment and ownership. Various other announced dates were indicated. Two months have passed and the country still awaits the word; confusion and uncertainty still abound. Now, we are promised in the Speech from the Throne some kind of legislation based upon the unrevealed policy developed from that phantom report. Participatory democracy strikes again.

Some hon. Members: Hear, hear!

Mr. Stanfield: If we are to work out our economic relations with the United States, we need some grounds for mutual trust and confidence. Those grounds do not exist now and a good deal of the responsibility must be borne by this government. If we are to work out our relations, some effort must be made to spell out our goals, and that effort must be made in the open with the participation of all Canadians, not in the back room secrecy of Ottawa or anywhere else.

Some hon. Members: Hear, hear!

Mr. Stanfield: I could go on and on and on.

Mr. Gibson: You are.

Mr. Stanfield: My remarks could range from the government's attempts to muzzle the Auditor General to all sorts of unsettling legislation which has been left hanging in the air, but I think I could sum up at this point simply by saying that I believe this government has effectively dissipated one of the most hopeful moods this country has ever experienced. It has largely wasted one of the greatest opportunities ever available to a government of this country.

The momentum of the spirit of 1967 has become the inertia of the malaise of 1972. The evidence of that is everywhere in this country and does not require an endless catalogue of exhibits to support it. The disaffection and frustration which so many Canadians feel toward this government, contrasted with their high hopes when it came into office, is the real test of its record. The real test of government is whether it can create a climate of confidence, co-operation and trust within which people, groups and whole regions can live, develop and prosper in Canada.

The present government has failed that test. It has failed miserably perhaps because it has never really seen it as a desirable objective. The question arises, where are we going today and what should our direction be. We in the party for which I speak believe that there can be just one new direction. We believe that government in Canada must rededicate itself to liberating the initiative and the imagination of Canadians.

Some hon. Members: Hear, hear!

[Mr. Stanfield.]

Mr. Stanfield: This goes against the tendency that has been noticeable lately to impose universal and generalized regulations for their own sake, perhaps for the sake of making things tidy for the bureaucrats. Tidiness may be a virtue but when it interferes with a free society, then I think it is better to get your housekeeping accomplished in some other way.

The federal government has many tasks before it, and I say it must get its own house in order as a first step to nurturing our economic independence and national identity. In this regard, coordination within the federal government to ensure consistency in all policies—tax policy, competition policy , regional development policy, transportation policy, all policies—is the only workable approach. This was emphasized by the Science Council of Canada in an interim report. So far as I can see there is nothing in the Speech from the Throne that even recognizes the need for that kind of coordination and consistency in the various policies of this government.

[*Translation*]

Mr. Speaker, of course, Canada needs a long term economic development strategy. That is clear and undeniable, whether we are speaking of foreign investments, whether we are considering our future as a trading nation or whether we are discussing the economic future of the various parts of Canada.

The first duty of the government in the development of some strategy, in the broader sense of the word, must be to determine some order for national priorities, in conjunction with the provinces and the representatives of the main economic sectors. The second step should be to devise legislation to govern the implementation of such priorities.

[*English*]

I see, according to the list of bills, that the government intends to bring in legislation concerning foreign investment, and the Prime Minister referred to it this morning. There is no indication in the Speech from the Throne of what that kind of legislation will be, in spite of the fact that the decision was apparently taken two months ago, we are told. I must emphasize at this point that any legislation of this nature must be a unifying force across Canada and not a divisive one.

The Throne Speech before us pays lip service to the need for an industrial strategy. How can we intelligently consider proposals with regard to foreign investment without having before us the government's articulated industrial strategy? How can we know what we are trying to achieve without this strategy? The government has paid lip service to this concept. It assures us that there will be announcements of tremendous importance to the future of this country within a few weeks, but the speech does not tell us what priorities the government thinks should be the basis of such a strategy.

May I call it one o'clock, Mr. Speaker.

Mr. Deputy Speaker: It being one o'clock, I leave the chair to resume the sitting at 2 p.m.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Stanfield: Mr. Speaker, when I called it one o'clock I was discussing the concept of an industrial strategy in Canada. I have had people say to me: "What is this industrial strategy thing; is it some kind of new political catchphrase?" I suppose when it is used the way it is in the Speech from the Throne it is not difficult to see or to speculate concerning why that kind of an interpretation could be taken or why that kind of a question could be asked about the significance of an industrial strategy. But, to many people in this country and to me it is much more than a catch-phrase. To me it means a definition of some direction, a definition of some direction based upon specific priorities that are chosen to take us in that direction. It means adopting a sense of direction in both the medium and longer range terms, rather than simply an ad hoc expediency determining the Canadian game plan on a day to day and hour to hour basis.

There are a number of different strategies, industrial strategies and economic development strategies, that are open to Canada which embody the spelling out of various priorities. In other words, the strategies adopted would depend to some extent at least on the priorities one adopted. The government has not given us its priorities. Certainly, it has not done so in the Speech from the Throne. I feel it is important to the people of Canada for me to outline what these foundation priorities are to me and would be to a Progressive Conservative industrial or economic strategy. Our first objective would be the creation of sufficient opportunities for meaningful employment for Canadians, and there is no evidence that the present government of Canada really accepts that priority. Our second goal is the attenuation of regional disparities by a consistent program of economic development. It follows from this that there has to be a complete review of the DREE operation. Our third priority is the pursuit of steady economic growth in terms both of gross national product and in terms of productivity through a program of incentives to encourage the initiative of Canadians in all branches of business, industry, farming and other occupations, whereas today we find a sense of frustration in respect of all our economic activity in Canada rather than a sense of encouragement.

Fourth, we recognize the need as a basic priority to communicate a sense of national purpose to the Canadian people, because if that is lacking then we cannot expect to accomplish very much. I suggest that this government has divided the country rather than give the people a sense of purpose.

Some hon. Members: Hear, hear!

Mr. Stanfield: I think these are the basic priorities of our national strategy that any government worth its salt should have been working on for several years, not as a loose and unco-ordinated or unconnected series of individual measures but as parts of a whole strategy for the development of Canada. That is what the government ought to have been doing, but under the gentleman opposite the process has not even been started and that is why it will be and why it will deserve to be severely judged by Canadians in years to come.

Aside from these priorities there are a number of specific measures the government should have spelled out in the Speech from the Throne yesterday. There should have been a recognition, for example, of this government's responsibility to help provincial and local governments that are caught up in the greatly increased welfare costs that arise from the unemployment for which this national government is responsible. There should have been an undertaking to curb the steady erosion of the way of life represented by the family farm. Some of my supporters here will have a great deal to say about that, Mr. Speaker.

• (1410)

There ought to have been effective measures to ensure the conservation of our fisheries. Some of my colleagues here will have a great deal more to say about that, Mr. Speaker.

There should have been some proposal to draw Canadians together in the fight against inflation, and in particular some clarification of the role of the Prices and Incomes Commission. I say that we should be fighting hard now to get some guidelines accepted in fighting inflation. The Bank of Canada bears a great responsibility for the way in which our economy is performing. Considering the difficulties we have been going through, there should be a thorough review of the bank's policies as they have related to economic growth, unemployment and inflation over the past several years.

We should adopt immediately the concept of a full employment budget in this country. This is no longer revolutionary. That great radical, President Nixon, has adopted it in the United States, and the province of Ontario is operating on it.

Mr. Gibson: Are you in favour of Opportunities for Youth?

Mr. Stanfield: I am all in favour of youth.

Mr. Gibson: But not of opportunities for them.

Mr. Stanfield: I am even in favour of opportunities for the hon. member who has interrupted me.

Mr. Gibson: Thanks very much.

Mr. Stanfield: I realize very well that such a concept of budgeting does not guarantee full employment. But what it would do is show us clearly whether a particular budget is really expansionary for the economy as a whole, or whether it is not.

There should have been an indication of immediate action to right the wrongs done by the government to the old age pensioners, by bringing increases in the old age pension into line with the real increases in the cost of living.

There should have been some indication of a plan to improve our trading position in the world, besides improved credit arrangements of which I approve—at least, I hope I will be able to approve them when I see them. Besides business and other missions abroad, there should have been a plan based upon the realities of the world as it really is. Such a plan should be based upon a recognition that our enterprises have to compete in the world as it really is. All of this requires a tax structure, a

tax policy and a competition policy that will enable our industries, including agriculture, to compete in the trade of the world as it really is, and not as some people around Ottawa would like to imagine that it is. Our industries in Canada must be put in a position to compete.

The Government of Canada owes respect to our native and Metis peoples. It not only owes them respect, it also has the duty of providing them with the opportunity for individual and collective self-development. The first prerequisite of any policy on Canada's native peoples must be that it is prepared and implemented in full consultation with their chosen representatives. Opportunity involves freedom. This means, for example, that native peoples should be free to choose whether they wish to live in their own communities or whether they wish to live elsewhere. In either case there should be no prejudice to their social or economic opportunities.

Opportunity also means education. There should be much greater stress placed on the availability of teaching programs that are relevant to native cultures and the languages right through school. And opportunity means economic progress. With the co-operation of the native peoples themselves, there must be more feasibility studies made of the economic potential of Indian lands across Canada. The government should make development capital available on the most generous possible terms to develop that potential. These are some of the things the federal government should be doing to provide the climate in which our native peoples can develop. But I see no indication of them in the Speech from the Throne.

As to our country as a whole and its economy, all of us are now in the position of discussing matters of economic policy without yet knowing the government's policy on foreign investment, which is said to have been decided before Christmas, and which could conceivably have a very substantial effect on any recommendations that ought to be made as to what is an appropriate policy to fight unemployment. The government has become so accustomed to reacting to problems from the exclusive standpoint of its own political interests that it is now quite incapable of dealing frankly with the Canadian people. It is equally incapable of pointing out new directions to Canadians. Fortunately, Sir, there is an alternative government that is able to take up that challenge and point out those directions.

I have already made clear that our commitment is to full employment as based on individual initiative and excellence, and to social justice for all Canadians, not as a slogan but as a right. But that is not enough. If we are to attain the society that we want we must work for it. We must develop a national strategy for survival, and for more than survival. We must develop a strategy for creating a climate where Canadians can excell and find the good life. It is not up to any government to tell people how to live their lives. That is a recipe for totalitarianism. But it is up to government to ensure an atmosphere exists in our country in which individuals can flourish. All right, that does involve a national economic strategy; not one imposed on Canadians by bureaucratic fiat, but instead one that we shall achieve in co-operation with one another.

This means constant and frank consultation between the federal government and the provinces, not to gain political advantage from some kind of manufactured political confrontation, but in order to work out our common priorities. We have got nowhere in the last four years on this. It means consultation with the various economic sectors of our country, with industry, with labour, with businessmen, farmers and primary producers generally.

We cannot create such a strategy out of a vacuum. The federal government has to take some initiative on this. Unfortunately the government has done nothing of any substance along these lines during its four years in office in order to prepare the way. Such a strategy involves careful analysis of the international market possibilities, to enable us to see the directions that are available to our export industries, and not simply the sort of official hypocrisy that we have had, saying that our policy officially is multilateralism whereas in fact our trade has become more and more concentrated with one country. It involves an equally careful analysis of our own industrial potential to decide where we should put the emphasis. We already have certain areas of excellence. We should be expanding and deepening those areas. That is one economic challenge before us, but it is certainly not the only challenge.

We must have a strategy as well to ensure that beyond the realm of economics the quality of life that is available to Canadians becomes richer and more varied in the years ahead. We have to protect our physical and cultural environment. I do not think there needs to be any conflict between these objectives. There must not be any such conflict if we are to achieve a decent society for Canadians.

The decent society we want depends on a combination of solid economic growth and careful planning for the preservation of our environment. With that as our basis we must also see to it that Canadians who, because of age or some disability, cannot play a full economic role, will have a decent standard of living. These are the objectives that we must set ourselves in the years ahead, and we must go a long way toward them in the next four years. We have many challenges ahead of us, Mr. Speaker, but the basic one is the challenge of defining new directions for our country after the empty years, years without direction, that will soon happily come to an end.

• (1420)

Mr. Pepin: Wishful thinking!

Mr. Stanfield: Mr. Speaker, I would therefore move, seconded by the hon. member for Saint John-Lancaster (Mr. Bell):

That following the words "Houses of Parliament" there be added:

> But we respectfully regret that your government has not only failed utterly to provide an economic climate in which Canadians can have confidence in the future and to give protection to Canadians against the isolation of individuals caused by economic deprivation but, in fact, has deepened the gap between the affluent and those in need.

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I should like to join with the hon. Leader of the Opposition in congratulating the mover, the hon. member for Bruce (Mr. Whicher), and the seconder, the hon. member

for Trois-Rivières (Mr. Lajoie), of the Address in Reply to the Speech from the Throne. One of the happiest aspects of the debate in which we are now engaged, and there are not too many, is the opportunity which is presented to us to listen to elected representatives who remind us that all that we do here, all that the government decides in terms of policies and programs, must in the final analysis be for the benefit of the people.

While the backgrounds of the hon. member for Bruce and the hon. member for Trois-Rivières are quite dissimilar, as are their constituencies, they are much alike in the high qualifications and deep interest they bring to their work here on behalf of their constituents.

The hon. member for Bruce, a rural constituency in southwestern Ontario, has a long record of public service at the municipal, provincial and now federal levels. He served for 12 years, from 1955 to 1967, as a member of the Ontario legislature before entering federal politics in 1968, and since that date has been very active on House committees on agriculture, veterans affairs and finance, trade and economic affairs.

[*Translation*]

As for the hon. member for Trois-Rivières, he represents an electoral district that is mainly urban. He is somewhat of a newcomer on the political scene, since he was first elected in a by-election held in 1971. He has come to Parliament with a wealth of experience which is very useful to him here. He has been a member of the Committee on Transport and Communications and, last fall, he attended the United Nations General Assembly as an observer for Canada.

[*English*]

These two men have spoken in the finest tradition of this institution. They have reminded us of the concerns, the hopes and the proud accomplishments of Canadians in two distinct parts of our country. We were given an opportunity yesterday to listen to a candid appraisal of the preoccupations of our fellow citizens. We learn something of the strength of Canada through such speeches.

This morning, as the saying goes, "was something else". I found it difficult to believe that the Leader of the Opposition (Mr. Stanfield) was talking about the same country. The hon. gentleman performs much as does a badly adjusted camera filter—removing all the light and colour, leaving a dark pallor and a flatness. The effect is startling but it is scarcely realistic. I feel sorry for someone who moves in such perpetual gloom; like the unfortunate fellow whose vacation is always rained out. In time his outlook becomes quite jaded.

An hon. Member: Maybe he is a bigot.

Mr. Trudeau: Listening to him this morning, I thought of another orator and of his fate as he spoke:

There was silence supreme! Not a shriek, not a scream,
Scarcely even a howl or a groan,
As the man they called "Ho!" told his story of woe
In an antediluvian tone.

I do not suggest, Mr. Speaker, that the Leader of the Opposition is totally without humour. He is certainly not without love. This morning he felt love for his own words. I noticed that he was repeating what he said in Hamilton a few days ago and what he said on television last night. If he repeats that speech a few more times, Mr. Speaker, his infatuation with his own talk will grow more enormous. He is not without love and certainly not without humour but I think without optimism, Mr. Speaker. For a man in his position that is understandable. Even his supporters in Toronto are so bereft of ideas to help him that they have been forced to distribute what they describe as a "non-political" tabloid. Isn't that wonderful? Non-political. Can you imagine what would happen if they ever switched to radio? We would be treated to a solemn announcement: "This has been a paid non-political broadcast sponsored by that non-political party, the non-Progressive Conservatives." It is unquestionably another first for that party. For some time it has been non-national and non-representative. Now, it is non-political as well, and by its own admission.

But we know under what difficulties the hon. gentleman labours. His policy committees struggle and struggle seeking some original programs, yet the results, always, are totally predictable. Faced with the government's proposals for the settlement of the offshore minerals dispute, this venturous group could say nothing more than "We don't think much of it". When the government published its white paper on foreign policy, the comment was the same, "We don't think much of it". Now, even before we have spelled out our proposals for control of the Canadian economic environment, they have begun the same old refrain "We don't think much of it". So long as these unimaginative souls have their needles stuck in that single groove, I hope for his own sake that the Leader of the Opposition never asks them what they think of his own leadership record.

What was totally missing in this morning's speech, Mr. Speaker—when once the opening comedy turn was concluded—was a balanced appreciation of what is happening throughout the world. This period of history is not a tranquil backwater, and those who talk as if it were or should be, reveal that their instincts are more fitted for reminiscence than for leadership. All about us, in Asia, in Africa, in the Middle East, even in Europe, smouldering discontents, unrealized expectations, unresolved animosities, have burst forth in violent and tragic proportions. Concurrently, an international fiscal crisis of a dimension not witnessed in four decades has swept across the world and affected every one of the industrialized countries in varying degrees.

These are facts, Mr. Speaker. This is the reality of life on this planet in the 1970's, a reality that was forecast in the Speech from the Throne 16 months ago when we were reminded of the conflicts which could be expected in the turbulent decade of the seventies; a forecast that was airily dismissed at that time by gentlemen opposite who preferred life in their comfortable cocoons to that in the world beyond.

Canada can no more ignore these events and these pressures than it can by itself control them. We cannot live separate from others on this planet; we cannot divorce ourselves from the plight and the problems of our neighbours. But neither should we permit ourselves to follow the example of the hon. gentleman opposite and tear at our flesh and wail in self-pity.

• (1430)

Unsettled times are seldom comfortable to those whose attitudes are fixed, whose mental anchors are in the past, but they can be rewarding to the imaginative for they provide the necessary environment for improving social conditions, and some chance for avoiding the otherwise inevitable revolution against advantage and privilege. The winds of change need not always strike with hurricane force. A society receptive to innovation, with a government responsive to social needs, will find itself able to harness the energy of those winds and benefit from them.

Resilience and stamina are among the characteristics of Canadians, Mr. Speaker, not pessimism and despair. Spokesmen opposite conveniently overlook the fact that Canada has faced two crises of grave proportions in the past 16 months and has emerged from each of them stronger and with increased self-confidence.

Some hon. Members: Hear, hear!

Mr. Trudeau: One of those crises, which commenced with the events of last August, has led to the revaluation of every major currency in the world except Canada's. It has led as well to pressures upon us of considerable magnitude seeking trade concessions.

The government's response to these pressures, Mr. Speaker, has been one which is respected by Canadians and by our trading partners alike. We have stated that trade is Canada's principal source of prosperity; that, consequently, we will no more foresake that prosperity than we will demand from others unbalanced benefits, unfair protection, or unreasonable arrangements.

Some hon. Members: Hear, hear!

Mr. Trudeau: Canada's proud record as one of the world's leading trading nations was gained through a policy of mutual advantage and broad access. Our successes are the result of superior products, aggressive marketing, and reliability as a trading partner. They have not been achieved as a consequence of the unfair techniques employed by some countries. The government has no intention of hindering these talents and successes of Canadian businessmen in order to prove to any country our dedication to conviviality or good fellowship.

The Canadian dollar was at a free and fair value on August 15, 1971. It was there because this government had the courage and the foresight in June, 1970, to anticipate severe monetary disturbances and to take steps to diminish their impact on Canada.

Some hon. Members: Hear, hear!

Mr. Trudeau: The dollar remains today at the same fair value—the only major currency in the world not revalued—because this government refused to back down when the going got tough. There is not the slightest reason to believe that we will be less firm in defence of our trading interests in weeks and months to come.

Some hon. Members: Hear, hear!

Mr. Trudeau: Canada's trading posture with the United States will be varied to the mutual advantage of both countries when once negotiations to that end conclude. It will not be varied because some politicians and commentators in this country are so impressed with dramatic language that they fill front pages with stories of catastrophe, imminent doom and unrelieved tension.

The crisis of the past few months has been real enough, Mr. Speaker, and the stakes vital to our prosperity. The situation has called for a more balanced assessment, however, and much cooler nerves, than were evident recently in many members of the opposition who have seemed hypnotized by unsubstantiated threats and cries of anguish from unnamed and often unknown sources.

Good relations, Mr. Speaker, with other countries are not built out of give-aways any more than they are built out of intransigence. The respect with which Canada and the Canadian government is regarded in other countries comes from our record of honesty and fairness in our transactions and relations. Ours is an enviable reputation in these respects, and I am not about to diminish it. Nor, I hasten to add, and notwithstanding all too much comment to the contrary, is any government anywhere demanding or suggesting that Canada agree to substantial concessions under threat of grave retaliation. The United States does not conduct its business with Canada in that fashion, much as such a myth is employed by the NDP and others as a tonic to grow hair on their chests.

Some hon. Members: Hear, hear!

Mr. Trudeau: Last November, the Conservative party asked this House to entertain a motion of non-confidence in the government, condemning what it claimed were deteriorating relations between Canada and the United States, and criticizing the alleged absence of communications between Ottawa and Washington. The Conservative spokesman, the hon. member for Hillsborough (Mr. Macquarrie), devoted some time to one of his favourite, and wholly unsubstantiated, theories that there were no telephone calls between the White House and my office, that there were no exchanges of correspondence between the President and myself, and that the leaders of the two governments no longer "spoke freely and regularly on matters concerning our countries". Such jibberish, Mr. Speaker.

Apart from the preposterous falsity of these allegations, does that gentleman now suggest that had Canada been nicer to the Americans we would have been exempted from the 10 per cent surcharge? Not Norway, not Burma, not Togo, not Mexico, nor any of the other countries of the world affected by that blanket policy, but Canada? By a smile and a prepaid telephone call, I could have avoided for Canada the impact of the surcharge! How simple is the conduct of foreign relations when one is the critic, not the executor!

I challenge the Conservatives, Mr. Speaker, to describe honestly and candidly to the Canadian people what their posture towards the United States would be in this difficult negotiation. Would they have gone to Washington cap in hand, to employ their own phrase, and agreed to a forced upward valuation of the dollar in order to prove their friendship with the United States? We didn't, and we did not endanger Canada's good standing with the United States in any way by not doing so. Would the Conservatives have made unilateral trade concessions in order to free us of the requirement of tough bargaining? We didn't,

and we don't intend to do so now. Just what is the stand of the Conservatives? A sell-out to the Americans to prove friendship? Or do they secretly admire the way in which the government has handled these negotiations but are too small to say so publicly?

I can assure this House, Mr. Speaker, that relations between the governments of the United States and Canada are at this juncture as friendly and congenial, and as mutually respectful, as at any time in our history. If opposition parties are unhappy about that, or have no stomach for hard negotiating, let them say so; but please let us hear no more double talk about annoying the Americans. Just as the United States government stands in support of America and Americans, we stand in support of Canada and Canadians.

The task of each government is to seek such reasonable variations and adjustments in our trading relationship as to benefit us both. That is the issue, Mr. Speaker, and that is our objective. If the opposition parties disagree, then I wish they would address themselves to that issue and those objectives and stop chasing their colourful theories. Then the people of Canada will be able to decide for themselves the merits of this situation and decide, too, just which party is most responsible with respect to policies toward the United States. The government record is solid accomplishment, not fantasies of either frightened timidity or false bravado.

[*Translation*]

Mr. Speaker, notwithstanding the events which took place in October 1970 and August 1971, there have been great achievements in Canada. Improvements whereby Canadians have benefited in the fields of social justice and quality of life, the undeniable economic success of private enterprise, progress on the international level must certainly all be acknowledged. Yet they should be considered within the context of the great trials we have had to overcome successively, also taking into account the unrest and disturbances which have marked national life and international relations of several other countries. Such accomplishments did not come about by chance; they reflect in a startling manner the very great concern which this government very promptly brought to bear on its structures and its organization as well as its governing ability.

The country it is this government's intention to build will be patterned according to well defined intentions and objectives that have been fully spelled out. We shall not abandon it to the blind and unpredictable course of events. With such a purpose, science and technology are two factors of over-riding importance and a sound economy is another.

• (1440)

If our country lacks available resources, most of our social objectives will remain unachievable. But the growth of national wealth is not necessarily equated by disorderly economic growth, just as social progress and welfare are not necessarily conflicting. Our economy can meet human needs through the supply of employment, goods and services, without giving rise in the process to the dire problems some countries have experienced: over-population, deterioration of the environment, over-sophisticated technology. A middle course must be found: man must be in balance with Nature; he must be in harmony with his fellow men. Conditions must be achieved wherein all fields of the economy, including the primary industry of food production, are reasonably profitable, and both efficiency and self-sufficiency are encouraged. But these conditions must be compatible with the necessity of a healthy environment and a social order favouring the development of the individual.

A number of problems facing the Canadian economy today are similar to those which are plaguing other countries; a comparison can be made between the way Canada has remedied those difficulties and the results obtained elsewhere. I think our solutions, in most cases, are very satisfactory. A number of our problems however stem from the very nature of the Canadian economy. Nowhere else do exporters have such free access to the most extensive and diversified market in the world; nowhere else does the investment picture favour to such a degree the movement of foreign securities; nowhere else are the important sectors of two economies tied so closely as those of Canada and the United States.

Our solutions to these problems will not only affect our standard of living, but will help determine the very future of Canada and shape our society. These considerations have greatly affected the policy on science and technology as well as the industrial strategy project with which the responsible ministers will acquaint the House.

The members of the opposition never fail to point out that such measures may very well be of value for the future but they ask, what about the present state of the economy? What about those who are now unemployed? Mr. Speaker, I admit willingly that those questions are relevant. I should like to discuss the matter with members of the opposition, but in order that Canadians better understand the situation and the value of the means suggested as remedies, all the factors involved in the problem of unemployment in Canada should be taken into account. The large number of new jobs being created in Canada should not be overlooked, nor the fact that, between 1965 and 1970—the last period for which statistics are available—over one million new jobs were created in Canada. This figure exceeds the total number of new jobs created in Belgium, France, Germany, Italy, the Netherlands, Sweden and the United Kingdom. Those seven countries, whose total population is twelve times our own, created jointly fewer new jobs than Canada did over that five-year period. And this thrust is being maintained. More than 200,000 new jobs have been created in Canada in 1971.

But in its discussions, Mr. Speaker, the opposition could not be bothered with those factors. It chooses to ignore what has been achieved and to resort to this simplistic assertion that the government is unmindful of the unemployment problem and indifferent to job creation. It is not very tricky to sort out the facts and cast away those which are unfavourable to political sectarianism. Could the government be accused of indifference towards unemployment when it has created the Department of Regional Economic Expansion which has earmarked $907 million in the past three years to create new jobs in the regions that needed them most? That same government has also drawn up all the training and manpower mobility pro-

grams in order to improve workers' abilities and help them adapt to available jobs. It is the same government which has clearly informed the United States that it was not prepared to make unilateral commercial concessions detrimental to Canadian workers.

It is the same government, Mr. Speaker, which had attempted to rationalize various important industrial sectors in order to increase their efficiency and which will introduce during the present session of Parliament an industrial strategy together with amendments to the Fair Employment Practices Act and the Canadian Labour Code. It is the same government which has also proposed radical changes to the Unemployment Insurance Act and designed the local initiatives program which has resulted this winter in the creation of 82,500 new jobs.

Mr. Speaker, this again illustrates the difference of approach between the opposition parties and our party. The leader of the New Democratic Party (Mr. Lewis) has stated, for instance, that we were exceedingly optimistic when we forecast that 70,000 new jobs would be created and that we would be fortunate if we could reach 50,000. Well, Mr. Speaker, our forecast was in fact incorrect; it actually failed through excessive modesty because we have already reached the 82,500 mark.

Mr. Speaker, no one on this side of the House is trying to elude the problem of unemployment. But we meet it with legislation and programs and not, as the opposition does, with sophistries.

The Local Initiatives and Opportunities for Youth programs constitute, in the field of employment, original experiments whose success cannot be questioned. They have shown the way in which public funds can be used in a system of decentralized decision-making. The participation at the local level of private groups and municipalities avoids administrative delays while allowing for the dynamic contribution of those who are most familiar and most concerned with the interests of their social community. The real originality of those programs lies in the fact that they favour local participation and decision-making while creating numerous jobs and bringing the community lasting benefits.

Moreover, those programs reflect our feeling that the greatness of Canada will be measured not by the level of the gross national product but rather by the way in which we use our resources to solve our human problems.

• (1450)

[*English*]

Canada should not be measured in terms of gross national product, or miles of railway line, or by the number of telephone calls made by each person in a year. Outsiders do not think of us in those terms nor, in the final analysis, do we. Canadians have little desire to be the biggest in the world by any standard of measurement and have no desire to be more powerful, more influential, or more visible than any other country.

There is something much more than mere familiarity which binds us to our country. There is here a quality which is recognized often by outsiders but which we seldom admit to ourselves. It is a belief that in this country, perhaps more than in any other, there is an opportunity for each of us to be ourselves—to be creative, to be free, to be accepted. We have been influenced by our vast spaces and disciplined by our rigorous climate. For centuries we were separated by thousands of miles of open sea from our cultural fountainheads in Britain and France. For 150 years we have learned to live in peace and co-operation with a restless, energetic giant which in its stirrings often seemed unaware or uncaring about our somewhat precarious existence on its northern flank.

We have here every opportunity of escaping the wretched and needless consequences of racial or religious or linguistic turmoils which have reduced men and women in many places to bestial levels of hatred and vengeance even as it exposes their children to misery and brokenhearted distress. The promise and the potential of man is surely not to be wasted in such destructive pursuits.

We have not always escaped these kinds of activities in Canada, but we have been able to contain them and it is my earnest hope that we can avoid them in the future. We can do so by recognizing that discontent is often a product of injustice. This country is ever so much richer and offers ever so much more freedom to individuals because of its human diversity. There is no uniformity, no flatness, to Canadians. They are themselves to a degree not possible in many, many societies. Canada is richer by five million times through the presence here of that many persons whose cultural heritage is other than British or French. We dare not attempt to imagine how bland Canada would be, how devoid of so many exploits and accomplishments, were these people not part of our society.

Nor could I conceive of a Canada without either of its major fractions—those persons who trace their origins back to Britain or to France. If at any time major elements of any of these three fractions, or of that fourth fraction which preceded us all, our Indians and Eskimos, were to disappear, Canada would cease to be what it is today and we should all be the losers. This change could come about, I suppose, by some kind of government coercion but it would be a most unenlightened political party, quite unlike any on the Canadian national scene today, that would attempt such a retrogressive step. More likely, this abandonment of our past and surrender of our identity could come about through indifference and assimilation.

Of these there will always be some, I expect, but I believe that the great majority of Canadians view this land as a place where each of us is able to grow and reach fulfilment, secure in the knowledge that we are free from discrimination; a place where Canadians who live and work and play and think in either the English or the French language may continue to do so and to communicate confidently with their government in their own tongue.

I regard these attributes, Mr. Speaker, not so much in terms of Canadian unity as in terms of the character of Canada. The overwhelming majority of Canadians living in every part of this country conduct their lives and carry on their daily relationships with other Canadians on a basis of tolerance and understanding and common benefit. When I see evidence to the contrary, however, evidence of policies which can have no other effect than to turn Canadian against Canadian and to fracture this

country into compartments, I will not stand mute. It matters not to me in what region these policies appear, it is my obligation to oppose them.

Some hon. Members: Hear, hear!

Mr. Trudeau: I was not elected by the people of Canada with a mandate to put any part of this country in its place. My mandate came from my conviction that in Canada there is room for every individual and for every region.

Some hon. Members: Hear, hear!

Mr. Trudeau: I regard it as my duty to oppose policies from any source which provoke intolerance and threaten the unity of this country.

Some hon. Members: Hear, hear!

Mr. Trudeau: The federal government represents every Canadian in every province and territory. It is responsible to all Canadians, not simply to those in the wealthy regions or those in regions where additional political popularity would be helpful in elections. That is why we shall continue the system of equalization payments, for it is one of the basic pillars of our federal system. If it is our belief that the unity of Canada is essential, as it is mine, then no party leaders can claim the luxury of opting out when situations demand standing up and speaking up for principle.

Some hon. Members: Hear, hear!

Mr. Trudeau: There are many issues which will involve us in the course of this session, Mr. Speaker, but I repeat that none is to me so important as is my belief that this Canada is a favoured place, and that it is so because persons in every part of the country are able to seek fulfilment through the help and understanding of their fellow Canadians.

Some hon. Members: Hear, hear!

Mr. Trudeau: I look forward, Mr. Speaker, as I am sure do the leaders of the opposition parties and, I sincerely hope, all members, to a session which will enhance the image of this institution in the eyes of all Canadians and serve as evidence of its relevance in a democratic society.

Some hon. Members: Hear, hear!

Mr. David Lewis (York South): Mr. Speaker, as a Canadian of a group whose origin is neither French nor English, I can agree without reservation to that part of the Prime Minister's speech in which he spoke so glowingly about our country and about its people. The right hon. gentleman did not need, and I presume he did not intend, to read members of this House any lecture about the greatness of this country, the greatness of its potentialities and the greatness of its people. When he entered into that kind of Chamber of Commerce poetry, Mr. Speaker, I suspect it was because he needed a diversion of that kind to hide the hollowness of the rest of what he said.

In particular, I cannot but chortle when this sophisticated man, given to so much casuistry, accuses the opposition of being sophists. But the most characteristic approach of the Prime Minister (Mr. Trudeau), the most characteristic of his attitudes, is the transfiguration which makes him assert that criticism of the government is criticism of Canada. When members on this side of the House draw attention to what they honestly believe to be wrong due to a situation which the government has created they are criticizing this great country. And this immense defender of its greatness is putting us in our place. I do not accept that kind of thing and I intend, as bluntly as I know how, to point out to the Prime Minister and the government the ways in which they have misgoverned and misruled this country for the last four years.

• (1500)

Further on in his speech he talks about the fact that Canada was the only country that did not revalue its currency in August, 1971. It is this kind of word-playing that gets my goat sometimes, to put it in simple language. The Prime Minister knew perfectly well that floating the dollar would and immediately did result in a revaluation of the Canadian dollar by 6 or 7 per cent. If he had said that Canada refused to revalue the dollar further, it would have been a statement of truth. The statement that was actually made was one of doubtful honesty.

The Prime Minister spoke toughly about the way he is negotiating with the United States. I wish he or the Minister of Industry, Trade and Commerce (Mr. Pepin) would tell this Parliament and the people of Canada exactly what it is the government has done in these negotiations. I wish they would tell us what concessions they have made in regard to the auto pact and the defence sharing agreement. Because they have made concessions, and until we know what those concessions are, we are entirely justified in being suspicious about the jobs and other things that this government is giving away.

As we start this what is probably the last session of this Parliament I cannot escape the conclusion that the Trudeau years have been wasted years for my country. Failure and incompetence have been the mark of this government despite the trust with which the people of Canada invested the Prime Minister.

I ask you, Mr. Speaker, to recall the excitement of 1967, our centennial year, the year of Expo, the year when Canadians felt that at last they could begin to realize Sir Wilfrid Laurier's prophecy that the twentieth century belonged to Canada. Promise was in the air, there was pride in Canada's accomplishments and confidence in our country's future. We all felt that Canada was at the threshold of a new adventure. In 1968 a man came on the scene in this country who appeared to appreciate the pace of change in modern society and to be ready to use his talents to attack imaginatively the problems that have troubled the compassionate Canadian people—poverty, inequality, human waste and citizen alienation. The Canadian people gave that man their trust, and the Prime Minister has steadfastly betrayed that trust for four years.

The man of change became a callous traditionalist, mouthing phrases about the future but tied stubbornly to the methods of the past. The vision of a just society was a fine one, not to be disparaged, for it echoed the deepest desires and the highest goals of civilized men. But four years in office have shown that the vision lacked sincerity, that it was a high-sounding phrase to be used in a game to win and to hold power. The dilettante, carefully orchestrating his mood from playfulness to toughness, from soft

words to authoritarian acts, diddled with the future of our people. Seldom was there any evidence of depth of feeling about the people's needs, their yearnings and their condition.

We have often heard this man speak of efficiency in the terms of the technocrat, cold and distant. He has used the power of his office to confuse rather than to clarify, to manipulate rather than to evoke participation, even to distort when he thought it necessary. We have heard him dismiss the tragedy of unemployment as a mere annoyance. We have seen him mouth unpleasant words even in this House of Commons and insult workers who could not strike back. He treated all Canada as his stage to act out his moods as if the nation's business was little more than a game.

I speak of the Prime Minister rather than of the government as a whole, because he has made himself the government in a way and to an extent not known before in Canada's history. More than any previous Prime Minister he has concentrated power in his own hands. It is doubtful whether even the members of his cabinet have as much say about policy and the future of this country as have the personal advisers with whom he has surrounded himself. He has concentrated the direction and even the tone of government in his own citadel. He has not been able to prevent the occasional leak, so that we sometimes learn of things not intended for our eyes and ears. His interpretation of participatory democracy is to tell Parliament and Canadians only what he thinks they ought to know and only at a time of his choosing.

[*Translation*]

He has doubled or tripled his entourage. Thanks to his court and his favourites, he has ears throughout the country, he has eyes in every department, and he has control over all important government functions. He has imposed amendments to the Standing Orders, not to modernize our proceedings—everybody would have agreed to that—but first and foremost to decrease the influence of Parliament and prevent it from interfering in any way with his own methods and plans.

The Liberal party, Mr. Speaker, inside and outside has turned itself to the promotion of the cult of personality; the unquestioning admiration of his herd, in this House, is proof of shameful moral abdication to the will and the whims of one man. They are the ones who have portrayed the right hon. Prime Minister (Mr. Trudeau) as Machiavelli's Prince; he has simply played his part to perfection.

Mr. Speaker, I remember the right hon. Prime Minister's very words published in *Cité Libre* in 1963, about the Liberal party, and I quote:

> Since I have been observing politics, I have no recollection of having witnessed a more degrading sight than that of all the Liberals who have turned their coats in tune with their leader when they saw an opportunity to seize power.
>
> With the head of the flock showing the way, the rest followed with the elegance of cattle scurrying to the feeding-trough.

That very realistic description of the Liberal party still stands today, under the leadership of the man who wrote those words.

[*English*]

The Speech from the Throne is another example of the playacting of this Prime Minister and his government. It is full of banal phrases about love, understanding and isolation. It is totally devoid of meaningful proposals or anything as lowly as a concrete plan. One of the very few specific undertakings in the speech, one of significance, is that "co-operation with the business and industrial communities will be extended even further". No doubt, Mr. Speaker; there is an election in the offing. The Prime Minister must not fail to extend co-operation to the 95 corporations on whose support the Liberal party has operated for a many years, according to a recent statement made by the Ontario chairman of the Liberal red carnation fund.

We are also informed that the Canada Labour Code changes and the competition bill are being revised to reflect the many representations made in past months. Whose representations are these, Mr. Speaker? I have little doubt that they are the representations of the Canadian Manufacturers Association and other allies of the Liberal party, and that the legislation will be watered down to suit their purposes.

• (1510)

I was therefore not surprised to find that the Throne Speech contained not a word about electoral reform, about limiting campaign expenses, about disclosing the sources of party funds. A Liberal government, you will recall, appointed a royal commission to study this matter. The commission reported in 1966. After much prodding a House committee was established and it reported last June, but the Prime Minister is not yet ready for a reform which he himself proclaimed as being essential to democracy. His excuse earlier today was that it was too late to apply it to the next election, as if he could not have done it last year and even the year before. But he will not make these changes, he will not have these democratic improvements, indeed not. Instead, he yields to pressures from his corporate friends to water down legislation and to shuffle cabinet ministers around so that nothing and no one could offend his corporate friends, particularly on the eve of an election.

Heartbreakingly significant is the fact that, despite talk in this Throne Speech about poverty, justice and isolation—and the Minister of Indian Affairs and Northern Development (Mr. Chrétien) should have noticed this, and if he did not he should not hold the position he does—the Throne Speech does not contain a single reference to the native peoples of Canada, a group of Canadians who have suffered unrelieved poverty, injustice and isolation for decades. I cannot even understand the callousness responsible for this incredible omission.

Some hon. Members: Shame.

Mr. Chrétien: Read the text.

Mr. Lewis: Finally, look at the couple of meaningless sentences accorded in the speech to the overriding concern about the foreign control of our economy. The words about Canada's identity and the greatness of our country have a hollow ring in the absence of a concrete undertaking to regain control of the economy so that Canadians may have the opportunity to shape their own future according to the social priorities of their own choosing.

In short, Sir, the Speech from the Throne is in my view a high school essay in purple prose, and the more banal the idea, the more purple the prose. In many places it is an apology for past failure rather than a plan for future action. The rest is a histrionic pose waiting for the curtain to rise on the election which is apparently again to depend on froth, image and phrase. I am confident that this will not work in 1972 as it worked in 1968.

In the first session of this Parliament, on September 16, 1968, speaking in the Throne Speech debate at that time I uttered the following words:

> The likelihood is, and I hope I shall be proven wrong—and I will apologize to the Prime Minister if I am wrong—that we shall wake up four years from now and find the same 20 per cent poor, almost the same regional disparities, a similar crisis in education, in housing and in urban life generally. No doubt there will be a patch here, a repair there, and an improvement elsewhere because whatever the stripe of the government we always manage to make a little progress. But the major inequalities and most oppressive social neglect will still be largely with us. The just society will still be a political slogan and a seemingly unreachable dream. More, Mr. Speaker, is the pity, because it is so unnecessary.

These were the words I uttered almost four years ago, and I say more is the pity indeed, a pity that unfortunately I do not have to apologize to the Prime Minister because my forecast proved to be not only right but in some respects an understatement of the conditions we find in Canada today. To the poverty which bothered our conscience in 1968 the government has deliberately added massive unemployment. Urban problems have multiplied. Congestion in our cities, pollution of the air and water, land speculation, regional disparities, poverty of our native peoples and the poverty of 20 per cent or more of our population, all this human waste in our society remains at least as serious and as unacceptable as it did four years ago. There have been some patches. There have been some little repairs here and there. The government can list some legislation about which it will boast as it did in the Throne Speech which closed the last session.

As I said in 1968, any government is bound to make some improvements, even this one, but only an insensitive and blind partisan can fail to see and admit, if he has any concern for people and any humility at all, that the years of this government have not moved Canada forward but have aggravated problems whose solution the Prime Minister promised four years ago.

I want to say to the Prime Minister, in view of some parts of his speech, that I condemn this precisely because I am proud of my country and its immense potentialities. I know that in the 100 years or more of its existence Canada has come a long way from its early pioneer beginnings. It has developed into a major nation with modern capacities and a great people. Governed sensibly with concern for people and with modern ideas and instruments, this country can in time eliminate poverty and inequality and build a society in which all Canadians take a proud part. This is what participatory democracy is all about, and it is the total failure of this government to respond to the needs of the modern society that my party condemns and that in my view history will condemn.

[*Translation*]

Mr. Speaker, the Liberal party and the Progressive Conservative party live and function under the yoke of outmoded doctrines. They stand with their friends in the large corporations, the only remaining doctrinarians within our society, with the exception of a handful of scatter-brained romantics of the extreme left.

The government and the official opposition are status quo parties. The Prime Minister does speak of change. What his action and his policy clearly reflect is his rejection of all real change in economic and social structures, in the balance of power within our society and in everything essential to the implementation of a system of human equality. His idea of change is expressed in the well-known proverb: "The more things change, the more they remain the same."

We of the New Democratic Party believe that modern technology demands increasing involvement of the government in the economy. The forces of the market can no longer serve the common good unless they are coupled with significant supervision and in certain cases direct control. Modern production has changed considerably, from the technical point of view as well as in complexity. For instance, the time lapse between deciding to produce a new article and introducing it in the market place has been extended, because of the elaborate stages in its development, the survey of the market and all the other factors now involved in the planning of production and its processes. Some even claim that a four- or five-year period is required in the case of a new car.

The main sectors of modern production require a great deal of time and money. The raw materials, the power, the many basic requirements as well as the infrastructure require the type of investment that only large corporations can finance.

In addition, finding the proper assortment of trained employees in the labour market requires time. These prerequisites of the post-industrial era foster the concentration of wealth and power in an ever decreasing number of units.

[*English*]

The objectives of these corporations are primarily the maximizing of profits and of power. Their investments and production priorities are governed by a market which they themselves control. Through modern image advertising on an unprecedented scale they create wants and needs to suit their interests. It is only by coincidence that their decisions may occasionally match the needs and priorities of society. Only public investment, public planning of the use of our human and material resources and large scale government involvement in setting priorities can successfully cure poverty, regional disparity and social alienation.

• (1520)

In Canada the corporate control to which I have referred has meant increasingly foreign corporate power. The objectives of the multinational corporations are not only those of profit and power but are global in nature and therefore take little account of the needs of a particular host country. This is why the New Democratic Party has been deeply concerned from its inception with the problem of Canadian independence. This is why we believe in the necessity of regaining control of Canada's economy so that the Canadian people will be in a position

to shape their own destiny and their own future in accordance with our country's needs and capacities.

After years of discussion and a growing sense of Canadianism, after numerous studies and reports, this government was finally forced to undertake to develop a policy on what it apparently calls "domestic control of the national economic environment". On numerous occasions the Prime Minister has promised a statement of policy on this subject. In reply to proddings, he first promised it some time before Christmas. More recently he has been promising it some time before the resumption of the sittings of this House. Again, a little earlier this year he promised to make the statement immediately on the opening of the new session.

This morning, in reply to a question I posed to him, the Prime Minister said he would not announce the government's policy on foreign economic control until the supporting material becomes available and indeed until the legislation is ready. We know, Mr. Speaker, that will not likely be until April. The fact of the matter is that the material is not anywhere near ready; the government's hacks have been set to rewrite the document that was leaked last fall, and to water down the policy. What will emerge is a half measure. On the basis of information I have received, I am convinced that the government will limit the activities of the screening agency to only the biggest takeovers, ignoring smaller takeovers which might well in time have greater cumulative impact.

The Department of Trade and Commerce reported earlier this month that major foreign-owned corporations showed stronger growth than Canadian companies in the 1964-69 period. This means that foreign ownership is strong in the growth areas of our economy, so a relatively small takeover may, over the years, turn into a big intrusion in the economy of Canada.

The Prime Minister also said this morning that the announcement of policy on foreign economic control would wait for the introduction of legislation. What sort of delay this will produce is impossible to say. It may take five weeks or three months. I have seen estimates of that sort. I do not know how long it will take. I am far from convinced that this represents any real protection against a rush of takeovers in anticipation of the so-called screening agency. That threat existed from the moment it became known that the government intended to move in this direction. I call on the government now to take steps to prevent this happening, to prevent any other takeovers taking place before the legislation is passed by this House.

One simple expedient which I propose to the Prime Minister would be an announcement by him that the eventual legislation would be made retroactive to the date of his announcement of his foreign investment policy. In sum, the announcement is further delayed, the uncertainty continues and takeovers continue. Indeed, I cannot help wondering whether we are likely to get any policy before this Parliament is dissolved for the next election.

Now, Mr. Speaker, I want to turn to another phase of the discussion about the government's performance. Recently the government, uncomfortable about its record, has begun to nurture a new myth. I have heard Liberals try to persuade the Canadian people—the Prime Minister himself has indulged in this—that even if the government has not always been right it has at least been competent and strong. The role of the swinger is to be changed into the image of the strong man, the competent administrator. He has just shown us how he can do it. He played his role very well both in the House and outside. I have never doubted his acting ability. The record shows that this is just another myth. Strength there has been, perhaps, although unconcerned obstinacy would be a more appropriate description of the Prime Minister's and the government's attitude in many critical situations. But competence there has not been, unless one permits oneself to be dazzled by flow charts of bureaucratic rearrangements.

The fact is that the record shows that the words written by a mutual friend of the Prime Minister and myself, the poet Frank Scott, about the late William Lyon Mackenzie King, apply to this Prime Minister and his government—"Do nothing by halves which can be done by quarters". To me government competence must be measured by its contribution to human welfare, by its successful control of economic and social forces to this end. By this criterion, and indeed by any other, this government has shown dismal incompetence, leaping from crisis to crisis, full of excuses and threats rather than solutions. I will, as I said, before I sit down move a subamendment to indicate one such solution.

[*Translation*]

I wonder, Mr. Speaker, how one can consider competent a government which has purposely implemented an economic policy aimed at creating massive unemployment. Only those who scorn human considerations can do so and consider competent a government which has forced thousands of Canadians into unemployment. For instance, let us consider the unbelievable mess that still exists where the application of the new Unemployment Insurance Act is concerned, the situation of the thousands of unemployed who suffer as a result of inexcusable delays and who at times even have to depend on welfare until they receive their due.

The very nature of the present government and the cynicism of its leaders has come out in broad daylight for all to see in the way they treat the unemployed. Instead of being concerned about them, the Prime Minister was very proud of himself when he announced to the country, a year and a half ago, that he was willing to tolerate a 6 per cent rate of unemployment in his so-called fight against inflation. Unfortunately, his wishes have never ceased to be gratified these last 21 months. Then, the Prime Minister and his assistants became embarrassed and started to look for excuses. They talked about the large increase in the labour force; they claimed that the number of people on the labour market was exceptionally high and they expressed satisfaction at the increase in the number of jobs.

• (1530)

[*English*]

It is not enough that the Prime Minister used these excuses on previous occasions. He did so again in his speech today, boasting about the increase in the labour force and in jobs. Let me place some facts before the House by comparing two periods of Liberal government, the Pearson and the Trudeau periods, with respect to

these excuses. The average annual increase in the labour force in the five Pearson years from 1963 to 1967 inclusive was as high as 3.1 per cent, and in the Trudeau years dropped to 2.9 per cent. The average annual increase in employment in the Pearson years was 3.5 per cent; in the Trudeau years it dropped to 2.3 per cent. As far as participation rates are concerned, the average rate of increase in the Pearson years was twice as high as in the Trudeau years; it went from an average increase of .32 to an average of .15.

The average rate of unemployment in the five Pearson years was 4.4 per cent. The average rate of unemployment in the four years under the Trudeau government has been 5.5 per cent. Once and for all, let us not have these dishonest excuses about increases in the labour force, unemployment and participation rates. These excuses are false, as shown by the history. In short, unemployment between 1963 and 1967 inclusive was substantially lower despite higher increases in the labour force and in participation rates.

Indeed, to find a period of unemployment in the last 15 years comparable to the present, one has to go back to the years 1958 to 1962 when a Conservative government was in power and pursued policies similar to those pursued by the present government. If anything has ever proven how these two parties are exactly alike, this history alone proves it. If the Liberals can take consolation out of the fact that a Conservative government did not do any better, they are welcome to such consolation. And if the Conservatives think they can persuade Canadians to believe that despite their record when they were in power they can do better now, I suggest to the Leader of the Opposition (Mr. Stanfield) and his colleagues that they underestimate the intelligence of the Canadian electorate.

But the Prime Minister was not satisfied with those excuses. He went a shameful step further. He resorted to insulting the unemployed and the intelligence of Canadians generally by declaring that there are many unfilled jobs and the unemployed could have them if they were only ready to take them at lower wages and at considerable distances from their homes. I have often asked myself seriously what was the purpose of this statement.

Everyone knows that even in the crisis of the thirties there were some unfilled job vacancies. Everyone also knows that there are, unfortunately, some few members of our society who reject their duty to provide for themselves. But the Prime Minister's own Minister of National Health and Welfare (Mr. Munro) on more than one occasion has underlined, as a result of surveys, that the number of such people is a small and insignificant proportion of those on welfare and/or unemployed. What, then, was the Prime Minister's purpose in making the assertion about job vacancies and repeating it two or three times, if it was not to mislead the Canadian people about the seriousness of the unemployment crisis and to encourage a mean backlash against dealing humanely with people in need?

One of the spots the Prime Minister pointed to in one of his assertions was Sudbury. Even at the time he was speaking Inco was laying off employees. Since then further lay-offs have been announced, to the point that the entire community is concerned about its future. I have not heard the Prime Minister condemn Inco or other corporations, many of them foreign-owned, for ignoring their duty to their workers and their obligations to the communities from which they have extracted huge profits through the years. Indeed no; the corporations are too powerful. He aims his strictures at the unemployed, the helpless and the weak, and I say "shame." In any case, the Prime Minister knew or should have known that his statements were unfounded. The job survey made by a department of his government showed that throughout 1971 there were from 10 to 26 jobless Canadians for every job vacancy, whether temporary, seasonal or permanent. This kind of attitude, I have said before and I repeat, with sadness, but I believe it needs repeating, was possible only for a man who never had to scramble to pay his rent.

Look at DREE, Mr. Speaker, and tell me where that shows competence. The Prime Minister boasted about the fact that over $900 million has been spent by that department. That is precisely where the incompetence lies. One of the few specific undertakings made by the Prime Minister in 1968 has turned out to be a shambles in application. Every objective body in the Atlantic area, and every objective expert in the field of regional disparity has criticized the planlessness and lack of initiative in the work of the Department of Regional Economic Expansion, despite the sincere intentions of the minister in charge.

In the minister's own province, in the Gaspé area, there was an excellent example of this with an expenditure of $250 million, most of which went to researchers and almost none of which went to the people in the area. The purpose was good; the implementation has been a model of incompetence. Hundreds of millions of taxpayers' dollars have been offered and received mainly by large foreign corporations. And the result? Hardly a ripple in the objective of removing poverty and disparities in the disadvantaged areas of Canada.

Think of Bathurst, New Brunswick, where the minister, the Leader of the Opposition and I attended an angry day of concern some weeks ago. Lay-offs and shut downs haunt the present and future of this disadvantaged part of Canada. Think of Corner Brook, Newfoundland, where lay-offs by a large pulp and paper corporation have raised unemployment levels to near disaster. Think of Témiscamingue in Quebec where CIP is closing down a plant employing 875 Canadians. And then remember the millions of dollars given to Parsons and Whitmore to build competing pulp mills in Saskatchewan, and the $13.7 million offered to a subsidiary of IT and T to build a new mill in Quebec.

I see you are about to rise, Mr. Speaker, to tell me my time has expired. I wonder if I may respectfully ask for a few extra minutes to complete my remarks.

The Acting Speaker (Mr. Laniel): Does the House agree to give the hon. member time to complete his remarks?

Some hon. Members: Agreed.

Mr. Lewis: I say, Sir, that this is not competence; this is planless chaos. I am not saying that nothing has been accomplished. Some new jobs have been created and I welcome that. But the program as a whole has not even made a dent in regional expansion. And it will continue to fail, as all such programs have failed in the past, because

of its reliance on profit-oriented corporations to build communities. Direct public participation, either alone or in partnership with private enterprise, and over-all development planning are essential in the fight against regional disparities. These have been absent, and the result is not a program of regional development but a program of welfare to huge, wealthy corporations. This may be competence for the strong; for the weak it is waste and frustration.

• (1540)

I was going to deal with a number of other examples of what I believe to be incompetence. I shall skip two or three of them in order not to take too much advantage of the kindness of the House, but I do want to refer to two of them briefly. I ask the House to study the government's policy with regard to the native people. In 1968 the Minister of Indian Affairs and Northern Development produced a new Indian policy with much beating of breast and loud fanfare. Today that policy is dead, as it deserves to be, because it was conceived in departmental isolation imposed from above and was rejected by the Indian people across the land. Where is the competence in this abortive exercise?

Finally, recall if you will the grain stabilization bill. Again, an important concept mutilated by thoughtlessness and incompetence. For years the farmers, particularly the grain farmers, have demanded a program that would give them adequate income security to protect them from the vagaries of weather, the international market and the international price. When at long last the government tried to give an answer to this age-long need to strengthen Canada's rural life, it produced a miserly and unacceptable plan, a plan which would have stabilized poverty. Our determination to prevent so callous a betrayal of the needs of farming Canadians, and the united opposition of almost all farm organizations as well as the three prairie provinces, caused the withdrawal of that bill.

The instances I have referred to—and I could refer to many others—are sufficient to disclose, in my view, a government which has been incompetent as well as indifferent, which has reacted to crisis rather than planning ahead of time, which has indulged in image and subterfuge rather than tackling with feeling and imagination the problems besetting the Canadian people.

Since I had the honour of being elected leader of my party last April I have travelled across Canada a great deal. Everywhere I saw the evidence of Trudeau's wasted years. I met with representatives of the poor at organizations like the Neighbourhood Centre in Halifax and the Inner City Project in Vancouver. They told me of their frustration and anger because the position of those they represented had hardly improved. They proudly outlined their organizations which had gained in strength and in their capacity and determination to demand redress against bureaucratic red tape, against the deprivation which haunts their families and the grudging subsistence on which they are forced to live. Many of them are developing agencies of self-help which could make an immense contribution to eventual elimination of the poverty culture in society. These agencies deserve our support and the New Democratic Party will fight to see that they get such support.

[Mr. Lewis.]

The sad, heartbreaking fact is that the number of poor has not decreased. One out of every five, and perhaps even one out of every four Canadians continue to live at or below the poverty line. The hopelessness, indeed the despair in the eyes and faces of young and old, white and native, child and mother, bring shame on a society as rich as Canada. Inequality and insecurity remain dominant characteristics of the human condition which our present economic and social values impose on people.

Many members on both sides of the House have visited Indian, Eskimo and Métis communities in all parts of this country. I challenge the Prime Minister, his colleagues and cohorts to defend the neglect seen everywhere; the 80 per cent and 90 per cent unemployment in many of these communities, the desperately shoddy homes we have provided for these people, the cruelty of an economic regime which robs people of their self-reliance, ignores their physical wants and threatens their cultural values.

I think of the elderly woman in British Columbia who had to battle for months before she was able to gain access to water without the difficulties from which she suffered. I think of the communities I visited at Pictou Landing in Nova Scotia, Moberly Lake in British Columbia, Fort McPherson in the Northwest Territories, and many others. Everywhere I heard cries for jobs, for an opportunity to develop their own answers to their needs and to obtain some security and some dignity in their lives.

Particularly am I often haunted by the cry of an intelligent young woman in an Eskimo community in the Northwest Territories. After a lengthy and factual presentation of her people's problems and grievances she suddenly paused and cried desperately, "Why am I talking to you? What is the use? We have talked to politicians and political leaders for years without result." These are conditions in Canada in 1972. They were there before 1968 but they are still there, still neglected and ignored, and this government continues to be responsible for that neglect.

True enough, one could walk through some streets in Vancouver, Toronto, Montreal, Halifax and see nothing but imposing new office buildings and high-rise apartment buildings and watch cars roll by and admire store windows full of attractive goods. These are a measure of the living standard reached by many in this country. They are a measure of a certain kind of progress and of the impact of technological advance. But I often question the meaning of this so-called progress and the direction which technological society is taking.

My party and I do not belittle the achievements of Canadians and the greatness of our country, particularly when compared with conditions in some other lands. It is not doom and gloom I am talking about. I am merely expressing a profound conviction that the Canadian people have the compassion to want ardently to remove this unnecessary human suffering, that they have the capacity to achieve this goal and that they have the collective wealth, skills and will to build a society based on equality without the hopelessness and indignity of poverty and alienation.

This, Sir, was the challenge that Canadians saw in 1967, this was the dream evoked by the innovations of Expo, and this is the vision which this government has lost,

which this Prime Minister voiced in 1968 and, having come to power, has systematically trampled. It is because of this, Mr. Speaker, that I wish to move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the amendment be amended by changing the period at the end thereof to a comma, and by adding immediately thereafter the following words:

and in particular has taken no effective steps to relieve the serious unemployment situation that has affected Canadians in all parts of this country throughout its term of office.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, some might feel that I have a lot of nerve to speak on this day set aside for party leaders, but the leader of the Social Credit party (Mr. Caouette) is now in Regina to chair a quite important meeting of our party and he has asked me to speak in his place. However, the House will not be the loser, since the hon. member for Témiscamingue, the leader of the Social Credit party, will be among us next Monday and will have the opportunity to take part in the debate on the Address in reply to the Speech from the Throne.

I also wish to congratulate the mover and seconder of the Address in reply (Messrs. Whicher and Lajoie), because they have satisfactorily performed the thankless task entrusted to them. I said "the thankless task", because it must be difficult for anyone to praise during half an hour this Liberal government which has been in office for the last four years, considering the bad legislation which was passed, its mistakes and omissions.

On several occasions, the Prime Minister (Mr. Trudeau) stated that he did not want to be judged on his past administration—and I understand him—but that he would like the electorate to look to a rosy future under another Liberal government. The Prime Minister realizes that the colour of the Liberal party is less and less popular and he would undoubtedly like it to turn from red to pink.

If the Prime Minister regrets the past, the mistakes of his government during the last four years, he should say so. If he is simply asking us to forget them, he is making a big mistake, because the Canadian voters will tell him so at the next federal election.

How, indeed, could the Canadian people forget the unemployment which has raged under the Liberal government? Here is the government's unemployment record during the past four years, according to data from Statistics Canada on February 8, 1971 and volume 27, No. 1, of catalogue 1971-001:

Dec. 14, 1968 373,000 unemployed
Dec. 13, 1969 383,000 unemployed
Dec. 12, 1970 538,000 unemployed
Dec. 1971 530,000 unemployed
Jan. 1972 665,000 unemployed

This represents an increase of 292,000 from December 1968 to January 1972.

This means, Mr. Speaker, that in January, 7.7 per cent of the Canadian labour force was unemployed, compared with 3.9 per cent in 1965. There is the setback that we owe to the Liberal government of the three doves launched into the electoral sky in 1965.

Today, during the oral questions period, we have seen that this government is still taking shelter behind the officials of the Unemployment Insurance Commission and saying that it is the unemployed, the claimants who are at fault.

Well, Mr. Speaker, over the holiday season, I myself have been flooded with calls and visits from claimants who were deprived of unemployment insurance benefits that they were entitled to because of a lack of understanding from officials of the Commission, mainly those who work at the central office in Montreal, behind an "electronic brain". Well, Mr. Speaker, these people were deprived of a right they had under an act of Parliament, through a misinterpretation by civil servants.

• (1550)

We could have expected, Mr. Speaker, that unemployment being so high, so many industries being closed or operating well under their capacity, prices would tend to drop. On the contrary, since the present government came to power in 1968, consumer prices have kept soaring. I have some statistics here dated February 17, 1972, that indicate the rate of price increases for December 1971 to January 1972, in the fields of good, housing, clothing, transportation, personal and health care, leisure and reading, drinking and smoking. For the city of St. John's Newfoundland, the price index between December 1971 and January 1972 jumped from 125.0 to 126.1, on the basis of 1961 equals 100. For the city of Halifax, this figure was approximately on the same level; for Saint John, New Brunswick, it rose from 126.9 to 127.4; for Montreal, 128.9 to 129.6; for Ottawa, 133.0 to 133.6; for Toronto, 131.6 to 132; for Winnipeg, 131.1 to 131.4; for Saskatoon and Regina, 125.6 to 126.3; for Edmonton and Calgary, 130.3 to 130.8; for Vancouver, 129.4 to 130.

Mr. Speaker, this shows that the cost of living for one month only continued increasing from December to January as it had during the preceding months.

According to these statistics, the consumer price index in Canada reached 136.7. In December 1969, it was 127.9; in December 1970, it was 129.8; in December 1971, it was 136.3 and today, it has reached 136.7, or an increase of 6.9 per cent over the last 13 months. This is how the federal government has failed in its fight against inflation. Prices are spiralling; families are ever more unable to provide for themselves and have to run into heavy debts, as does the government, by the way.

Here are a few eloquent figures regarding the indebtedness of Canadians to loan and finance companies. These figures are quoted from Catalog 61-004 of February 1972 and show the trend in the debt of Canadians since 1961. On December 31, 1961, this debt was $4.314 billion in 1962, $4.769 billion and in 1963, $5.351 billion. That was when the Liberals took power.

In 1964 that debt amounted to $6.143 billion; in 1965 to $7.4 billion; in 1966 to $7.648 billion; in 1967 to $8.474 billion; in 1968 to $9.704 billion; in 1969 to $10.969 billion; in 1970 to $11.525 billion.

Since 1961 the amount of money owed by Canadians to loan companies, finance companies and stores had nearly trebled. Since 1963—the year during which the liberals came to power—the indebtedness of Canadian consumers

has doubled, whereas it has increased by about 20 per cent since 1968, the year during which this Prime Minister came into office. The indebtedness of Canadian consumers is increasing at the same rate as unemployment and the cost of living. While consumers get into debt, the federal government follows suit and gets into debt in a dangerous way in spite of heavy and ever-increasing taxes and higher tax revenues.

As stated by the Minister of Finance (Mr. Benson) in his budget speech for 1971-1972, our country's indebtedness has increased by 784,800,000 in 1968 and by 576,100,000 in 1969. It did decrease by 392,600,000 in 1970, but increased again by 417,600,000 in 1971. At present it amounts to $25.201 billion.

As shown in Table 1, Section 6.4 of the Public Accounts for 1970-1971, the not outstanding public debt, which amounted to $10,940,200,000 in 1970, reached $25,201,200,000 in 1971. It is also interesting to see that this government is spending more and more money which it draws from the taxpayers, while at the same time maintaining high level of unemployment, allowing prices to rise constantly, and increasing our national debt.

In 1970, the government has in various ways collected $12.324 from the taxpayers, while in 1971, the budgetary operation, as the then Minister of Finance liked to call this highway robbery of the taxpayer, exceeded $12.769 billion, leaving a deficit which will only be known at the tabling of the new accounts—probably after the next election—so as to avoid scaring taxpayers away.

Yesterday, the opening of the session was not covered by the CBC technicians, while CTV workers refused to cross their fellow NABET workers' picket lines. Whatever causes for the dispute festering at the CBC, there is evidence of dissatisfaction, suspicion and antisocial feelings. One only has to see the federal electronic technicians whose functions are designated, meaning they do not have the right to strike, in the process of paralyzing air traffic in the country, and by the same token, endangering not only our economy but also human lives, and also, turning to other sectors of the public service, for example, guards and teachers in Quebec threatening to strike, the question must be asked if the right to strike granted to employees of the civil service, specially in sectors as vital as police, airports and communications, should not be reviewed for the public good. At least this is what Father Emile Bouvier thinks. This is how he was winding his remarks in a T.V. broadcast from Sherbrooke—as reproduced in *La Presse* on February 15 last—and I quote:

However, the unexpected choice made by the union in resorting to compulsory arbitration brings us back to the settlement of disputes in the public services brought about by the 1944 legislation. It brings us back to the solution of British Columbia with its bill 33 in 1968 and to that of compulsory arbitration in Australia. Even if the right to strike is granted, labour disputes must be settled either by enforceable arbitrator's ruling or by legislation similar to Bill 1 or 25. The first solution is perhaps the safest and the least expensive. Maybe we should return to more realistic legislation which, in essential public services, would require compulsory arbitration with enforceable ruling.

The Throne Speech hardly refers to international trade problems and makes no mention whatever of the consequences for Canada of Great Britain's entry in the Common Market and of the American policy aimed at restoring a favourable trade balance. The government should have informed the population of its intention, on what it will do to correct the situation so that thousands of Canadian workers will not become unemployed on account of the restrictive policy of the United States.

[Mr. Laprise.]

With regard to newspapers, the Canadian government is cornered, caught in the trap and this during an election year because, as it happens, the American government has to face its electors and it intends to show a rosier picture even at the expense of Canada. If the U.S.-Canada trade crisis is taking a difficult turn, as headlined *Dimanche-Matin* last February 13, it is no doubt necessary to keep cool but this is not sufficient, with all due deference to the Minister of Industry, Trade and Commerce (Mr. Pepin) who is now in the process of losing his eternal smile. But is the government not to blame for this trade crisis?

As early as May 3 last, after resigning from the Trudeau cabinet, the hon. member for Duvernay (Mr. Kierans) stated the following as reported by *Le Devoir,* and I quote:

Mr. Eric Kierans confirmed the fact that it was really because of his complete disagreement with the economic and fiscal policy of the Trudeau government that he resigned as Minister of Communications.

These policies that he spurns, Mr. Kierans qualifies them as outdated since they consist, he said, in blindly promoting foreign investment to the detriment of the available labour. He added that we must stop believing that it is essential for Canada to sell its natural resources.

Among other things, he said he found it deplorable that Canadian missions should be sent throughout the world to sell our natural resources—

He could have said: to give them away.

—and that Canadians were the worst negotiators with Washington while being at the same time the most naive.

It is false to believe that more exports mean more economic pump priming. It all depends on what we export. It is also false to believe, he said, that efficiency and productivity depend solely on investments.

Where is the solution? There again, the hon. member for Duvernay, since he resigned from the Liberal cabinet, has been expressing ideas that are quite acceptable to the Creditistes.

Commenting on the statement made by the hon. member for Duvernay, Mr. François Gauthier, an economist and professor at Laval University, wrote in the Montreal magazine *Les Affaires* that the government is indeed wrong in wanting to restart the economy through investments rather than by meeting the demand first.

Here is what this economist, Mr. Gauthier said:

Mr. Kierans stresses the fact that federal policies "are forcing investment rather than demand to lead the economy". He adds and rightly so: "If I were in business, my first task would be to find out what demand there is and to provide for investments, and this not because someone would be enticing me with tax concessions".

If one considers the whole of the Canadian economy, this reasoning is right even though it runs against what most economists are thinking. Indeed, when the level of demand is such that it produces a major underutilization of machinery and plants, it goes without saying that any economic recovery must proceed from an increase in consumer expenditures. When machines are idle, the natural incitation to invest is weak or absent. Any additional investment may moreover show itself to be non-profitable when demand is insufficient.

At the present time it looks as if an increase in investments (the plough) should succeed in inflating demand and decreasing unemployment. And yet one does not need to acquire an honorary PhD to realize that such a strategy is wrong, because it only benefits certain industries which employ little manpower and because it can only in fact maintain stagnation and unemployment.

A resumption of the consumers' actual expenses would be the best thing to ensure a general increase in investments whenever the level of usefulness of existing capacity require it.

Although one may not agree entirely with Mr. Kierans, one could not but admire his attitude when he says in such a delightful way: "No, Ottawa does not see at all what should be the best thing to do."

We should also, Mr. Speaker, promote the economical development, create new industries, so as to meet fully the requirements of the Canadian consumers and provide work for those who are able and anxious to work.

Was it the government's final word in putting forward those projects that come under the Department of Regional Economic Expansion or the State Department to help our young people?

Is it with such an over-simple method consisting in providing grants to friends, outrageously rich industries, firms paying high dividends every year, that the government think they will solve the industrialization problem in Canada?

Mr. W. H. Pope, an economist at the Ryerson Polytechnical Institute in Toronto, does not agree with that suggestion and he recommends low-interest loans to Canadian firms. In the February 10, 1971, copy of *Le Droit*, we could read the following:

According to Mr. W. H. Pope, professor of economics at Toronto's Ryerson Polytechnical Institute, the federal government should grant Canadian firms low-interest loans to stimulate the country's economic growth.

Such loans, bearing a 2 or 3 p. cent interest, would enable Canadian corporations to operate with a smaller profit margin.

American firms operating in Canada would not be eligible for such loans and with a decrease in their profits, the incentives for foreign investments would disappear.

"Such a large decrease in the profits of American subsidiaries should considerably help in reducing the current drain of $1 billion from Canada in interests and dividends". Mr. Pope writes in his book entitled "*The Elephant and the Mouse*".

Mr. Speaker, such remarks almost meet Social Credit proposals according to which any new production should be financed with new funds. Here are the Social Credit proposals:

Purchasing means available to the people of this country should always be jointly equal to the joint prices of consumer goods offered for sale in the country, and such purchasing means should be cancelled on the purchase of consumer goods.

The sums necessary for financing production should derive not from the profits which are reinvested, nor from personal savings, but should be new credits having been created in view of some new production. They should be recalled only according to the ratio of general depreciation to general appreciation.

Now I still have to briefly explain the mechanisms which will permit the financing of the new production. They say over and over again that Social Credit wants to destroy the present banking system. Nothing could be further from the truth. On the contrary, under a Social Credit government, the banking system would be called upon to play a part even greater than, its present one, though different.

Let us imagine that an industrialist, considering the actual demand, determines to produce 100,000 shirts to be sold for $5 each. He does not have the necessary funds to hire workers, pay salaries and purchase the raw materials. He simply will go to any bank, explain his needs, his expansion projects, the actual demand for shirts priced at $5, the possibility of making a reasonable profit and of reimbursing the loan received, while allowing the bank itself to make some profit.

• (1610)

The bank will analyze the pros and cons and will grant the required loan of $400,000. Where will that money come from? It will not come from the bank vaults or from the savings it holds in trust. The bank will obtain the credit free from the Bank of Canada, credit which it will have to refund on the due date of the loan made to the shirt manufacturer. This is why the bank should take some precautions before granting a loan. It should check whether demand exists, analyze the competitive position of the borrower and his ability to pay back the loan when it falls due. But will the bank charge interest? As you like.

To administer the bank and to meet his customers' needs, the banker will have to rent office facilities, hire competent staff, and pay for salaries, wages and services. Those will be administration expenses. To remain in business he will also have to make a profit. That these administration expenses and this legitimate profit be called "interest" as they are now, I have no objection to that. But for sure this interest will not be as high as it is now since the bank will get its credit free from the Bank of Canada without having to pay interest as banks now do.

The implementation of this policy will have a number of results.

The first is that capital will no longer be in short supply. Any corporation willing to produce consumer goods for which demand exists or which are required by other corporations for processing into consumer goods, will no longer have to resort to ruinous loans and will no longer be obliged to increase its prices outrageously to meet its expenses and make a legitimate profit. It will not have to rely anymore on foreign capital because if foreign investors find it economical to finance a Canadian concern, it would certainly be the case for any Canadian bank and the Bank of Canada.

A second result would be to eliminate foreign control. The above remarks easely prove that if we eliminate the need for foreign capital to finance our production, then our means of production and our natural resources will remain in Canadian hands. We would then be in the position to repossess in a short period of time our Canadian wealth presently controlled by foreigners.

A third result, though not the least, would be to provide the consumers with an ideal purchasing power.

Nowadays, Mr. Speaker, strikes are called in almost every sector and every industry. All sorts of demonstrations for salary increases are taking place.

I suggest, Mr. Speaker, that workers need not salary increases but rather an increased purchasing power.

There is evidence, since strikes have been carried out, that the workers are no better off today than they were before. Their purchasing power has simply not increased, it has rather decreased.

At the present time, because of the financing of production through savings and profits, and for other less important reasons, there is inequality between the sum total of prices relating to production and that of the purchasing power generated by that production. In order to catch up with prices and in exchange for their participation in production, the consumers demand wage or salary increases which in turn are reflected in the ever increasing prices. It is the vicious circle of inflation.

To bring back stability between total production prices and the existing purchasing power the Social Credit Party offers a simple solution. It consists in giving the consumer a discount equal to the difference between the total prices and the existing purchasing power.

Let us say that a product is valued at $1,000 and a total of $800 has been paid in direct purchasing power, whether for purchasing raw materials or paying wages and salaries to employees. The consumers would then be eligible for a discount of 20 per cent which would allow them to purchase all available products. At the end of each month the retailer would bring to his bank vouchers for the discount granted, $200, and the bank would credit $200 to the retailer's account. The bank would then call upon the Bank of Canada which would reimburse the amount credited to the retailer.

The Creditists can therefore rightly suggest that the implementation of the policy would give all Canadians a perfect purchasing power, that is to say neither too high nor too low but just right to insure perfect stability with total prices.

Those are the main policies we offer this country and they are the true solutions to our present major problems.

Mr. Speaker, I noticed in the Throne Speech ending the last session as well as in the Throne Speech opening this session the same pattern of language.

The right hon. Prime Minister spoke today of the crisis of October 1970. That crisis, Mr. Speaker, was not spontaneous but it was premeditated and made possible because of bad administration and an inadequate economic system which made individuals and Canadian workers feel that they were being ignored by their leaders and only had laws they did not want. Those they want the government refuses to pass.

So leaders, individuals took the lead of groups of dissatisfied people and lead them to protest and violence.

Now, Mr. Speaker, if the present situation is allowed to go on we can probably expect those acts of violence to be repeated. The economic situation which now exists must obviously be changed. We must undertake a complete reform of our economy. This is why our very first political step must be to give each and every individual a tangible interest to defend, a concrete substantial reality for which he will then, and only then, be prepared to fight and to make the sacrifices which he feels are necessary.

That tangible interest is not any obscure collective ownership of the means of production and of property, which in the past 30 years has done nothing for the Soviet masses, who also go on labouring hopelessly, day after day, on the threshold of poverty. This is all balderdash.

It is not a so-called "subsistence" minimum. It is not "collective agreement". It is not any vague "capital-labour association". It is not "pools" of any kind. Those things are all meaningless illusions within our present economic system, and they do nothing to correct the basic flaw of the economy, which is still considered, implicitly, as good and valid.

The interest of each individual, and the only true one, is to be able to benefit right now from a fair share of the present resources of the nation. It is, as was clearly stated in a famous encyclical letter, a certain degree of affluence and culture, not only for a few but for all workers, resulting from a fair distribution, in an amount adequate to meet the needs of decent subsistence, of all the goods which natural and industrial resources as well as a really social organization of economic life can supply for each and every member of the economic and social organization.

When each individual has this tangible thing to defend which will make real his personal interest in the society in which he lives, which will be his own indisputable uncontested share in the advantages of human association, when economic advantages become a fact and a daily reality, then, and only then, will the individual have an interest in supporting his government and abiding by its laws—and he will do so.

Today, more than ever before, any citizen has to question, demonstrate and resort to sit-ins in order to be listed to. And unfortunately the leaders in these disputes and demonstrations are not all Mahatma Gandhis or Martin Luther Kings, who could do so without resorting to violence.

There is nothing to show that violence will not endure so long as will prevail this atmosphere of uncertainty which may hit at any time any industry anywhere. Yesterday, workers in Témiscamingue-Sud thought that they had a secure job. Today, they are in the ditch, and the same is true for some nickel miners at Sudbury. There is less and less hopes for the automobile workers. We know the situation in which farmers find themselves. Whether big or small, nobody can hope to live without a subsidy from the state.

That is where the Liberal party has led us. That can no longer last. The Canadian people will see to it.

• (1620)

[*English*]

On motion of Mr. Deachman (Vancouver Quadra) the debate was adjourned.

On motion of Mr. Trudeau the House adjourned at 4.25 p.m.

HOUSE OF COMMONS

Monday, February 21, 1972

The House met at 11 a.m.

ROUTINE PROCEEDINGS

NATIONAL CAPITAL

ANNOUNCEMENT OF AGREEMENT FOR ACQUISITION OF CERTAIN LANDS OF E. B. EDDY COMPANY

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, I wish to make an important announcement that will be of interest to all members of this House, to residents of the National Capital Region and to visitors to this capital. For many years there have been recurring appeals to successive governments, from all sides of the House, to do something about the Eddy pulp and paper mill across the Ottawa River. These appeals have been based partly on a common desire to reduce air and water pollution and to develop a more scenic central area. They stem also from the fact that this industrial complex, which lies so close to Parliament Hill, constitutes a critical barrier between the cities of Ottawa and Hull.

I am glad, Mr. Speaker, to announce an agreement with the E. B. Eddy Company that will provide for the transfer of a substantial amount of Eddy land in Quebec to the National Capital Commission, and will involve the removal of some of the more unsightly parts of the Eddy complex, and the elimination of most of the pollution emanating from it. All of this will be accomplished within a framework of a commitment by the company that no one will be laid off as a consequence of the transaction.

The essential elements of the agreement are that the company will transfer roughly 44 acres of land to the National Capital Commission, including most of the waterfront land on the north bank of the river across from Parliament Hill, and close down the Eddy sulphite and groundwood mills and newsprint machine, which will take place over the next few weeks.

Approximately 450 of the company's 2,500 employees will be affected by this closing. As an integral and essential part of the arrangements, the company has undertaken to continue to provide employment in the remaining part of their operations for all displaced employees. For employees who because of age, physical handicap or other reasons decide against accepting other work with the company, generous early retirement and severance pay arrangements are being provided in the agreement. All these arrangements respecting the employees have been worked out in close consultation between the company, its unions, and the National Capital Commission. They have been endorsed by the unions involved, the International Brotherhood of Pulp, Sulphite and Paper Mill Workers, the United Papermakers and Paperworkers, and the International Association of Machinists.

In exchange for the transfer of land, and the commitments by the company, National Capital Commission will pay the company $29,500,000.

The Eddy Company estimates that the closing of the pulp and newsprint operations will reduce the water pollution from the plant by close to 90 per cent and the air pollution by 100 per cent. Furthermore, the company's decision to buy its pulp rather than to make it is expected to lead to the ending of the log drive on the Ottawa River between Arnprior and the mouth of the Gatineau River, removing an additional source of pollution in the river.

The transaction being completed today is really the first stage of a ten-year plan to move the whole Eddy complex from its present riverbank location to a new site in the environs of Hull. The company has declared to us its firm intention to undertake such relocation, and it is now actively seeking land on which to construct new facilities. This will make possible the carrying out of future moves in such a manner as to minimize the impact on employment and on business operations. Important elements of the agreement are that the government is given the right of first refusal on all the remaining Eddy property, including the island between Hull and Ottawa, and that no expansion on the present site will be undertaken. The company has committed itself to work with the government to ensure that future phases of the move are carried out in the same manner and with the same co-operative spirit that has made the present agreement possible.

• (1110)

In recent years it has become increasingly clear that the Eddy complex is a serious obstacle to the planning of the national capital, walling off physically and visually the new government buildings now being constructed and proposed for Hull. This property, along with other nearby lands such as LeBreton Flats, are essential elements in the development of a national capital core area which links language groups, cultures, provinces and sister cities. The buildings, homes, parks, recreational facilities and other amenities that will occupy these lands on both sides of the river will greatly improve the appearance, the planning, the functioning and the economic base of the national capital region.

In conclusion, Mr. Speaker, I should like to pay tribute to my two predecessors who have worked on these arrangements, the present Minister of Regional Economic Expansion (Mr. Marchand) and the present Minister of Consumer and Corporate Affairs (Mr. Andras), and to express a particular word of appreciation to Mr. Fullerton, Chairman of the National Capital Commission, and his staff.

I am also very grateful to the leaders of the Eddy unions who have played such an important part in the achieve-

ment of an agreement that meets our objectives. Throughout the discussions and negotiations one point was made clear by the government again and again, that no transaction with Eddys would be countenanced which would result in the lay-off of employees. I am particularly happy to say that in this agreement we have fully met this commitment and I pay tribute and give thanks to the officers of the company and the unions.

These arrangements will allow us to continue to work out together an industrial relocation that is essential to the building of a capital of which all Canadians can be proud.

Some hon. Members: Hear, hear!

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, we have learned with a great deal of pleasure the news that some changes are to be made at the Eddy plant across the river from Parliament Hill. While great piles of logs and sulphur may have been signs of progress 75 and even 50 years ago, they have more recently become an eyesore to people on Parliament Hill and many others. Furthermore, during recent years the amount of pollutants which has been dumped into the river has been in inverseratio to the damage done. In other words, the increasing development of the Ottawa River Valley has added to the pollution problem. Even though from time to time there have been cutbacks in the effluent from the Eddy plant, a smaller amount of effluent does more damage now than was once the case. It is therefore good news that the more unsightly parts of the plant will be removed and that most of the pollutants will be eliminated. We look forward to completion of the ten-year plan announced in the statement just read under which the area across from Parliament Hill will become well-landscaped parkland.

We must accept the statement made today that proper and acceptable arrangements have been made for employees. We hope that no problems will develop in this regard. There will undoubtedly be relocation problems for a number of persons. The statement mentioned early retirement for those who are shortly to retire. I trust that these arrangements will be carried out in the spirit indicated in the statement.

We should not be complacent and think that this action will clean up the Ottawa River. It will help, but there is still a mighty task to be undertaken not only because of the many years of effluent discharge from the operation of the Eddy plant and other damage to the river bed but also because of the many years of logging and the many other sources of pollution that have arisen.

I conclude by urging the government to press ahead with joint federal-provincial efforts to clean up the whole Ottawa River Valley. This subject has been raised many times in the House, as well as the situation with regard to the Eddy plant. Nevertheless I do not want to take away from the fact that this move is very satisfying and must be for all members on the Hill.

Some hon. Members: Hear, hear!

Mr. David Lewis (York South): Mr. Speaker, on behalf of my colleagues and myself I am pleased to congratulate the minister, the unions, the company and the National Capital Commission on this agreement. One of my colleagues says that he hopes all this means that the White Swan sign will come down. Another suggests it be retained because it is so colourful. I must say that when I read this announcement by the minister and looked at the amount of money E. B. Eddy would get I recalled a saying which was used at the time of the late and great R. B. Bennett in connection with E. B. Eddy: There is a tide in the time of men which, taken at the "Eddy", leads on to fortune.

Some hon. Members: Oh, oh!

Mr. Lewis: My first point is that the minister should have informed us on what basis the $29,500,000 is to be paid to Eddy. It is my understanding that several years ago discussions took place on this subject and Eddy was to get $30 million for the entire property. We are now paying almost $30 million for a little more than half of that property. I think the country is entitled to know whether there are arrangements for other parts of the Eddy property which the government might take over later, what is likely to be the final cost of this important and great improvement, and whether or not the company is getting a little more than it ought to, after the years in which it has exploited the resources and polluted the air and water around Canada's capital. I hope the minister will give us further information on that score.

I also hope the undertaking not to lay off employees will be carefully watched to see that it is observed. It is my understanding that there was a meeting this morning between the union leaders and the National Capital Commission. I am glad to note the minister's determination that the undertaking shall be observed, and I hope it will be. We are now rid of the pollution outside parliament. Perhaps we should go some steps further and rid ourselves of any that there might be inside.

* * *

[*Translation*]

JUSTICE ADMINISTRATION

STATEMENT BY SOLICITOR GENERAL ON RELEASE OF YVES GEOFFROY FROM PENITENTIARY

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, although considerable public interest has been shown in the escape from custody of Yves Geoffroy during a leave of absence from December 24 to December 26, 1971, this is the first opportunity to inform the hon. members of the circumstances leading to the granting of the leave of absence to this particular inmate for the purpose of marriage.

The temporary absence program has been in operation in Canadian penitentiaries for the last 4 years even though provision had been in the Penitentiary Act since 1961. It is an earned privilege which is granted by the Commissioner of Penitentiaries for periods exceeding three days and by the director of an institution for periods of three days or less.

There is little data to carry out a full evaluation of the temporary leave program over a long term. It will be some years before it will be possible to make any conclusions about its real effect on recidivism. Recent statistics encourage optimism about the program. Between Septem-

ber and December 1971, a total of 12,401 temporary absences were allowed. Out of this number of temporary absences there are only 90 reports of inmates failing to return. The number of crimes alleged to have been committed during these approximately 12,000 temporary absences is 15.

As a result of these statistics it might be said that the vast majority of inmates do not abuse the privilege and do behave responsibly, and that the procedures and decisions taken by officials of the Canadian Penitentiary Service are correct in over 99 per cent of cases.

The escape of Yves Geoffroy is one of the few failures of temporary absences from the penitentiaries. Its statistical significance has been overlooked in the attention it has received.

Let us however, review all the facts related to this incident.

According to the Commissioner's directives, after receipt of (a) a full report from the Institute Chaplain; (b) a report from the Institute Classification Officer; and (c) a report from a social agency; a special permission from the Commissioner or his delegate, the Chief of Chaplaincy Services of the Canadian Penitentiary Service, may be given for an inmate to marry.

On June 28, 1971 Mr. Geoffroy sought permission to marry Miss Carmen Parent with whom Mr. Geoffroy apparently had had a continuing liaison. The reason he cited to support his request was that marriage would provide a mother who would look after the needs of his three children, 3, 6 and 8 years of age. Regarding his children Mr. Geoffroy wrote:

"At present they are being looked after by my family. However, no one is legally authorized to look out for their education or to request social assistance on their behalf."

Following the receipt of Mr. Geoffroy's letter, Rev. J. A. Nickels, Chief of Chaplaincy Services of the Canadian Penitentiary Service, Ottawa wrote to the director of St. Vincent de Paul, attaching a copy of Mr. Geoffroy's letter and asking that the "institutional and community reports" required by the relevant Commissioner's directive be prepared and forwarded.

The report of the social worker was addressed to the Commissioner of Penitentiaries on August 19, 1971 and received by the director of the St. Vincent de Paul Institution. This report was prepared by Miss Micheline Cornellier of the Société d'Orientation et de Réhabilitation Sociale, and was approved by Miss Cornellier's supervisor. Her report states that she found Miss Parent fully aware of the consequences of marriage with Geoffroy, including the possibility that he could lose his appeal and might not be granted parole on his first eligibility date.

The report notes also another aspect that heavily influenced the wish of Mr. Geoffroy and Miss Parent to marry, despite the fact that Mr. Geoffroy was serving a life sentence in penitentiary. This aspect was the Geoffroy children, being cared for by two of Mr. Geoffroy's brothers.

Miss Cornellier wrote that both brothers, and I quote:

"suffer from fairly serious cardiac pathology and therefore in the event of death, the children would be destitute. In this event, Miss Parent could support and take responsibility for the children, the marriage giving her the right to be their guardian."

Miss Parent also accepted the duty of reuniting the children with their father when he was released from penitentiary, Miss Cornellier stated, and appeared to have the characteristics that would make her a satisfactory mother and supervisor of the children's upbringing.

Mr. Speaker, with the consent of the House, I could table the remainder of the statement to be recorded in the proceedings of the House of Commons—

Mr. Speaker: Order. The minister is suggesting a rather unusual way of proceeding. He suggests that he will not finish his statement but will table the last part of it so that it be recorded in the proceedings of the House. This would indeed require the consent of the House and this agreement does not seem to exist. In these circumstances, the minister would perhaps finish reading his statement.

• (1120)

Mr. Goyer: Miss Cornellier's recommendation of the marriage between Mr. Geoffroy and Miss Parent was supported by Mr. Marc Gosselin, Classification officer at St. Vincent de Paul Penitentiary, in an August report, the factor of Mr. Geoffroy's children being the strong argument in support of the marriage and citing the influence that a stepmother could have on the emotional development and the stability of the three children.

The third report supporting the proposal of marriage was made on October 7, 1971 by the penitentiary chaplain, Father L. Dupuis. Father Dupuis also stressed the importance of the marriage to the children and suggested, in the event a religious ceremony could not be performed, that the couple be married in a civil ceremony.

Notice, however, that the Chancellery of the Diocese of Montreal did approve of the marriage and the date and place of the ceremony was given by Abbé Dupuis on December 18, 1971.

Director of St. Vincent de Paul Gerald Brennan submitted the three reports with his recommendation for the marriage on October 20, 1971 and received a November 3 reply from Rev. J. A. Nickels, Chief of Chaplaincy Services, noting that:

"in view of the positive nature of the reports, approval is given for the marriage."

A copy of a letter dated November 24, 1971 from lawyer Raymond Denis—

[*English*]

Mr. Diefenbaker: A name of blessed memory.

[*Translation*]

Mr. Goyer: —to Henri Prévost, Protonotary of the Superior Court, St. Jérôme Courthouse, was sent to Mr. J. P. Lévesque, Visits and Correspondence officer at St. Vincent de Paul. The letter requested the Protonotary to give public notice in Montreal and St. Jérôme of Mr. Geoffroy's marriage on December 24. Public notice was given and the provincial authorities were made aware of the forthcoming marriage.

I would like to point out that, in this case, Mr. Denis acted as Mr. Geoffroy's lawyer, and from all the information that I have available, Mr. Denis never visited Mr. Geoffroy in the penitentiary.

The marriage was performed at St. Vincent de Paul parish church on December 24, 1971 by Father Ninkeri in the presence of Mrs. Laurence Geoffroy Amyot, sister of, and witness for, Mr. Geoffroy, and Mr. Raymond Denis, who was witness for Miss Parent.

I should add here that on January 11, 1972 the Court of Appeals of Quebec rejected Geoffroy's appeal. Hence, the question of Mr. Geoffroy's wife's inability to testify against him is unlikely to arise in the case for which Mr. Geoffroy was in penitentiary and concerning which he had lodged an appeal.

As for the question of temporary leave, according to the Commissioner's directives and to Section 26 of the Penitentiary Act, an act approved by Parliament, a temporary leave of three days or less is granted by the Director of the Institution after the request has been studied by the Inmate Classification Board of the Institution, following a recommendation by the inmate's classification officer.

On November 10, 1971 a recommendation that a temporary leave for marriage absence of three days be granted to Mr. Geoffroy was presented to the Inmate Classification Board of St. Vincent de Paul Institution, a board made up of 16 members. Eleven members studied this particular case and the unanimous decision of the board was that Mr. Geoffroy should be granted 50 hours leave to begin at 8 a.m. December 24 and to end at 10 a.m. December 26. This decision was finally approved by the director of the institution.

Mr. Geoffroy did not return to the penitentiary following the expiry of his leave period and was declared illegally at large on December 27, 1971.

The Quebec Provincial Police, the RCMP and international police forces were alerted and police investigations are underway.

A review of the known facts relating to the permission of marriage and the leave of absence granted to Mr. Geoffroy does not indicate that any employee of the Canadian Penitentiary Service violated the authority delegated to him by the Commissioner. There is no evidence of any wrongdoings by anyone to influence an employee of the Canadian Penitentiary Service in the decision to permit Mr. Geoffroy to marry Miss Parent or to give him leave of absence. I myself, or members of my staff or the Commissioner of Penitentiaries were never personally involved in this matter either directly or indirectly—

[*English*]

Mr. Hees: They were all just good friends.

[*Translation*]

Mr. Goyer: —and, contrary to reports appearing in the press, Mr. Geoffroy was never a friend, a classmate nor an acquaintance of mine.

It is regrettable that undue credence was placed on the statement that the two brothers of Mr. Geoffroy were in ill-health and that their conditions created an insecure future for the Geoffroy children. These reports were accepted in good faith by the authorities; unfortunately however, later inquiry revealed that this part of the social agency's report was based on hearsay.

In the light of the circumstances, it is clear that a more thorough and careful investigation ought to have been carried out.

I reviewed with the Commissioner and officials of the Penitentiary Service all the relevant information and on January 10, 1972 invited the media to my office to make a public statement and to answer questions.

In that statement, I said:

> I have instructed my officials to refine the screening process for certain types of cases such as those serving life sentences and other inmates who may warrant special review. Furthermore, as to permission to marry, the procedures will be amended to include legal consideration along with the social, moral, and religious aspects of the question.

As a result, on January 28, 1972 Mr. Paul Faguy, Commissioner of Penitentiaries, announced changes in the guidelines pertaining to temporary leave of absence and permission to marry. The changes are as follows:

1. Temporary Leave without escort will not be considered until at least six months of sentence have been served.

2. Temporary Leave without escort will not be considered for those serving life sentences, habitual criminals, dangerous sexual offenders, and persons known by police to be connected with organized crime until three years of sentence have been served.

3. No persons convicted as dangerous sexual offenders will be granted leave of absence until psychiatric consultation has taken place and special clearance given.

4. The Regional Director must approve the first two leaves of absence granted to inmates in the four categories.

5. Recommendation for the granting of temporary absence will have to state clearly the reasons for the recommendation and must be supported by fully documented community investigation reports prepared by either a private social agency or the National Parole Service.

6. When any inmate presents a request for permission to marry, advice on legal implications of the marriage must be sought in advance from the provincial Attorney General.

However spectacular this single case may be viewed, it must be judged in perspective against the total leave program. A success rate of 99 percent should encourage the continuation of a program which is contributing to returning criminal offenders to society as better adjusted and more useful citizens.

I wish to conclude by giving hon. members the following assurances:

1. The leave and the permission to marry were approved under the authority provided by the Canadian Penitentiary Act and the procedures and delegation of authority were in accord with established instructions.

We all realize that the decision was an error, but so far as can be ascertained, it was made *bona fide*.

2. It has been suggested that there may have been some direct or indirect influence exerted on or through the Solicitor General on behalf of Mr. Geoffroy to grant him permission for special leave or an authorisation to marry. This suggestion or innuendo I reject categorically.

3. I am informed by the Commissioner of the R.C.M.P. that all appropriate action has been undertaken by the police authorities to investigate all possible criminal

offences arising out of this matter and every effort is being made by police agencies on an international scale to apprehend the fugitive.

4. Penitentiary procedures regarding temporary leave have been modified, as I have described, for certain classes of inmates in the penitentiaries and, as well, no further marriages by inmates will be considered until the legal effects of the marriages are taken into account and there has been consultation with the provincial Attorneys-General.

5. As a result of the amended procedures, the temporary absence program, which plays an important part in the rehabilitation of inmates will continue to develop but additional safeguards will help to better protect society.

6. Since it appears that there were no irregularities or illegalities committed by members of my Department, the Government sees no reason why a special inquiry should be undertaken in the Geoffroy case. However, if specific allegations of irregularities or illegalities can be substantiated, I can give the House the assurance that the Government will take immediate action.

7. The principle of temporary absence approved by Parliament does imply some risks and some errors. In spite of some concern over the Geoffroy case, I have nevertheless received letters from the Elizabeth Fry Society, the John Howard Society, the St. Leonard's Society, the Law Students of the University of British Columbia, the Canadian Criminology and Corrections Association and the Junior League of Toronto giving their full support to the program, and it is my hope that the public in general will continue to cooperate with us.

• (1130)

[*English*]

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, on Friday I sought the approval of the House under Standing Order 43 for the setting up of an inquiry under the Inquiries Act. After listening to the lengthy and verbose nonsense which we heard from the minister today I am convinced that there must be a judicial inquiry into this matter; it is absolutely necessary. If the situation was not so tragic it would be a comedy. I want to read from one part of the minister's very lengthy statement:

> On June 28, 1971 Mr. Geoffroy sought permission to marry Miss Carmen Parent with whom Mr. Geoffroy apparently had had a continuing liaison.

What utter nonsense! What are the real facts? Let us strip the matter down to the bare facts.

An hon. Member: You would have to close your eyes.

Mr. Woolliams: Yes, you would have to close your eyes not to see them. Geoffroy was convicted of murder and sentenced to life imprisonment in St. Vincent de Paul penitentiary on the grounds that he had murdered his wife while this liaison was going on. Those are the facts. Then he was released for two or three days. Let me say at the outset that under the law the minister must take the responsibility. Either he had knowledge of this matter or he did not, and if he did not have knowledge his mismanagement is so grave that he should resign.

Some hon. Members: Hear, hear!

Mr. Woolliams: Geoffroy was released for two or three days under section 26 of the Penitentiary Act, it is alleged, which reads as follows:

> Where, in the opinion of the Commissioner or the officer in charge of a penitentiary, it is necessary or desirable that an inmate should be absent . . . for an unlimited period for medical reasons . . . for humanitarian reasons—

There were certainly no medical reasons. What were the humanitarian reasons? Here is a man charged with the murder of his wife. After due process of law he is convicted by a judge and jury and sentenced to life imprisonment for the murder of his wife. Then he is permitted by the minister to be released to marry a woman with whom he had a long liaison. If that is the kind of humanitarianism for which the minister stands, I think it would even shock the Prime Minister.

An hon. Member: That is the just society.

Mr. Woolliams: I want to refer now to section 684(3) of the Criminal Code which in part says:

> No person sentenced to life imprisonment shall be released during the life of such term—
>
> Particularly on a charge of murder.
>
> —without the approval of the Governor in Council.

• (1140)

Release means release. This man was released on the grounds of humanity, that the children had to be taken care of, to marry the woman with whom he had a liaison while he was living with another woman. Release means release. I want to be fair in dealing with this matter. There is a marginal note that talks about release and it might mean temporary release, but if you go to the Interpretation Act you will see it substantiates that release means release as used in section 684(3) of the Criminal Code.

When the Right Honourable Lester Pearson was Prime Minister he made a statement at the time of the abolition of capital punishment in which he said that when people are found guilty of this kind of crime and are given life imprisonment they would have to have the approval of cabinet before they would be released.

Some hon. Members: Hear, hear!

Mr. Woolliams: That statement can be checked. While the fairy story that the minister read today might be sold to *True Story* magazine, there is no way he can get around the fact that this man was wrongfully released.

Therefore I say that the Governor in Council—the cabinet—is responsible for the release of Geoffroy, responsible for having given prior approval to his temporary release, responsible to the public and to Parliament for the violation of section 684(3) of the Criminal Code. I say that by corruption or incredible incompetence he was allowed to escape.

The minister's advisers may endeavour to argue, as I have already said, that the marginal note to section 684(3) of the Criminal Code does not mean permanent release but any kind of release. Check section 13 of the Interpretation Act, chapter I-23 of the Revised Statutes of Canada.

The plain grammatical meaning of the subsection is that no person, whether his sentence has been commuted from death to life imprisonment or to a term of years or wheth-

er his sentence was life imprisonment in the first instance, shall be released from prison permanently or temporarily, under any law or by any authority, without the prior approval of the cabinet. The minister must have given that approval.

How silent he is on this point in this document. Nowhere does he say that he did not have prior knowledge. Why is he silent on this question? I should like to see the minister give evidence before a judicial inquiry. I should like to see men at the bar cross-examine this minister on his credibility in this matter. I should like to see him stand before an inquiry and hear its official report because his statement today will not stand up.

The minister said there was a lack of concrete evidence to justify an inquiry. I recall an incident in this House, in which the same man, Raymond Denis, was involved. At that time the hon. member for Yukon (Mr. Nielsen) made a certain statement in the House and the former minister of justice, the late Mr. Guy Favreau, said it was untrue that Denis had offered a bribe. When the inquiry took place and these people were examined under oath the judge found as a fact that a bribe had been offered and that there was wrongdoing. As a result of that inquiry Denis was charged and by due process of law was convicted. That is what I want to see happen here. Something is wrong—something is wrong. One has to think this way about the Geoffroy case.

I think the minister must be writing a new book, "A Lifer's Honeymoon" or "How to Murder Your Wife and Marry Your Mistress". Why wither in jail when you can go the Goyer way and inherit the murdered wife's children and be released from a dull life sentence?

Where is Geoffroy? Why was no reward offered for his capture? No steps have been taken. Naturally the RCMP cannot tell what they know unless they are brought before an inquiry. Does Raymond Denis know where Geoffroy is? I was surprised to see that he is still a member of the bar. He was the best man behind the scene. He said he never met Geoffroy in jail. Was that the reason he was released? Maybe they are meeting outside the jail.

We want to know the facts. This case smacks of absolute corruption and the worst kind of mismanagement. There is only one solution. I could read and read from this statement. The worst feature of it is that the minister is trying to destroy a deserving program, the temporary absence program, and wrap it up in this kind of alibi. As far as I am concerned the man who is destroying this kind of humanitarian program is the minister and he must take full responsibility.

I ask now that a judicial inquiry be set up because this case is so flagrant and if it were not so tragic it would be humorous.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, the minister's statement was very lengthy and at times almost comical. However, one thing that it reveals as being absolutely crystal clear is that there has been negligence and gullibility on the part of the penitentiary service. The minister said in his own statement:

> In the light of the circumstances, it is clear that a more thorough and careful investigation ought to have been carried out.

[Mr. Woolliams.]

It is early in the week, Mr. Speaker, but I venture to prophesy that this is the understatement of the week.

An hon. Member: Of the year.

Mr. Brewin: Mr. Speaker, it is perfectly clear that a concocted, hearsay story was accepted, the word of a convicted murderer who had prominent in his mind the purpose of escaping and fleeing along with his paramour. With all this before the officials this man was allowed out supposedly in order to enable him to marry. Surely if marriage was in mind there would be nothing to stop it within the penitentiary itself without sending him on a trip to Mexico or wherever he is. The minister has given us a great amount of detail but he has not given us any information as to the present whereabouts of this man. Countless misleading statements have been issued from time to time.

One thing I regret more than anything else is that this gross negligence endangers the operation of the temporary absence program under the Penitentiary Act. The minister's figures reveal that it has been a beneficial and useful program but its usefulness is clearly endangered by what has been allowed to happen in this case.

I am never happy when malfeasance is alleged in a department and the only investigation made is an internal one within the department itself. Investigations of that sort usually turn out to be a whitewash. If there is not to be a judicial inquiry, we have in this House of Commons a committee on Justice and Legal Affairs which has shown a sense of responsibility and non-partisanship and I suggest that this committee should hear firsthand, sworn evidence of what took place in this affair.

Some hon. Members: Hear, hear!

Mr. Brewin: If nothing else, this might save a valuable program which has been helpful in so many cases.

* * *

YOUTH

OPPORTUNITIES FOR YOUTH PROGRAM—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. David MacDonald (Egmont): Mr. Speaker, I rise under the provisions of Standing Order 43 to ask unanimous consent of the House to move the following motion, a motion which, on the face of it, I feel should be accepted by all hon. members.

I move, seconded by the hon. member for Annapolis Valley (Mr. Nowlan):

> That in view of fresh reports made public over the weekend of political pressure in the Opportunities for Youth secretariat, problems related to the minimum wage with regard to high school students and others who might gain employment through the program and a serious problem related to morale within the operational secretariat,
>
> That this House do constitute a special committee on youth in order that these problems and any others might be examined and dealt with in such a way so as to achieve both justice and equity for Canadian young people with regard to the programs for summer 1972.

• (1150)

Mr. Speaker: The House has heard the motion proposed by the hon. member for Egmont under the terms of Standing Order 43. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

GRAIN

LACK OF WHEAT AT VANCOUVER TO LOAD SHIPS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, pursuant to Standing Order 43 I ask the unanimous consent of the House to propose a motion on a matter of urgent and pressing necessity. The immediacy of the motion arises as a result of a finding by the Palliser group of Saskatchewan that 20 ships have been sitting idle in Vancouver harbour, that it would take approximately 20 million bushels of wheat to fill the ships in question and that this wheat is not at the terminals. I would therefore move, seconded by the hon. member for Battle River (Mr. Downey):

That the question of the empty wheat terminals at Vancouver harbour be referred to both standing committees, namely, the Standing Committee on Agriculture and the Standing Committee on Transport and Communications, and that these said committees be immediately consummated and instructed to look into this mismanagement as alleged by the Palliser group and to travel to Vancouver if the committees so determine it necessary.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: As there is not unanimous consent the motion cannot be put.

PROVISION OF MORE STORAGE SPACE AT VANCOUVER—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, pursuant to Standing Order 43 I ask the unanimous consent of the House to propose a motion of extreme importance, urgency and pressing necessity. Reports allegedly appearing in a United States grain publication and reported in Vancouver by the Palliser Wheat Growers Association indicate Canada has lost the sale of 150,000 tons of wheat to Japan because the Canadian Wheat Board could not ensure delivery through a west coast port. Because of the urgency of maintaining and increasing our reliability as a grain exporting nation I would move, seconded by the hon. member for Assiniboia (Mr. Knight):

That the Minister of Justice, answerable for the Canadian Wheat Board, be called upon to make a statement on motions outlining what steps are being taken in providing additional grain storage space at the west coast to handle the delivery of grain for overseas shipment.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: The motion cannot be put.

* * *

FISHERIES

RONALD REPORT ON SEALING—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Walter C. Carter (St. John's West): Mr. Speaker, I wish to move a motion under Standing Order 43 on a matter of urgent importance for Canada as a whole, and especially for the fishermen of the Atlantic region. The Minister of Fisheries (Mr. Davis) during the recess received the report on the sealing industry from Dr. Keith Ronald, the acceptance of which could spell the end of this vital part of our economy. I would therefore move, seconded by the hon. member for Gander-Twillingate (Mr. Lundrigan):

That the sealing report be referred to the Standing Committee on Fisheries and Forestry with a view to calling witnesses in order to properly present the real facts of this industry to the Canadian people.

Mr. Speaker: Is there unanimous consent for the motion proposed by the hon. member for St. John's West?

Some hon. Members: Agreed.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: No.

Mr. Speaker: There is not, and the motion cannot be put.

* * *

HEALTH

ADDITION OF ANTIBIOTICS TO CATTLE FEED—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I rise under the provisions of Standing Order 43 to discuss a matter of urgent and pressing necessity, namely, the fact that antibiotics are added to cattle food routinely. This constitutes a danger to the health of men since the practice promotes the development of organisms resistant to antibiotics and also capable of infecting people. I would therefore move, seconded by the hon. member for Hamilton West (Mr. Alexander):

That an investigation into this matter be carried out by the Standing Committee on Health, Welfare and Social Affairs and a report be made to the House.

Mr. Speaker: Is there unanimous consent for the motion proposed by the hon. member for Athabasca?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

CRIMINAL LAW AMENDMENT ACT, 1972

AMENDMENTS TO CRIMINAL CODE, CRIMINAL RECORDS ACT, NATIONAL DEFENCE ACT, PAROLE ACT AND VISITING FORCES ACT

Hon. Otto E. Lang (Minister of Justice) moved for leave to introduce Bill C-2, to amend the Criminal Code and to make related amendments to the Criminal Code 1967 Amendment Act, the Criminal Records Act, the National Defence Act, the Parole Act and the Visiting Forces Act.

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

* * *

BRITISH NORTH AMERICA ACTS, 1867 TO 1965

AMENDMENT RESPECTING READJUSTMENT OF REPRESENTATION IN HOUSE OF COMMONS

Hon. Allan J. MacEachen (President of the Privy Council) moved for leave to introduce Bill C-3, to amend the British North America Acts, 1867 to 1965, with respect to the readjustment of representation in the House of Commons.

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

* * *

CANADIAN NATIONAL RAILWAYS AND AIR CANADA

PROVISION FOR CAPITAL EXPENDITURES AND GUARANTEEING OF SECURITIES AND DEBENTURES

Hon. John N. Turner (Minister of Finance) moved for leave to introduce Bill C-4, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways System and Air Canada for the period from the 1st day of January, 1971, to the 30th day of June, 1972, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company and certain debentures to be issued by Air Canada.

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

* * *

FARM CREDIT ACT

AMENDMENTS RESPECTING LOANS AND POWERS AND CAPITAL OF CORPORATION

Hon. H. A. Olson (Minister of Agriculture) moved for leave to introduce Bill C-5, to amend the Farm Credit Act.

[Mr. Speaker.]

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

* * *

PROTECTION OF PRIVACY BILL

AMENDMENTS TO CRIMINAL CODE, CROWN LIABILITY ACT AND OFFICIAL SECRETS ACT

Hon. Otto E. Lang (Minister of Justice) moved for leave to introduce Bill C-6, to amend the Criminal Code, the Crown Liability Act and the Official Secrets Act.

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

* * *

EXPLOSIVES ACT

AMENDMENTS RESPECTING DEFINITIONS, PROHIBITIONS, LICENCES, INSPECTORS' POWERS, ETC.

Hon. Allan J. MacEachen (for the Minister of Energy, Mines and Resources) moved for leave to introduce Bill C-7, to amend the Explosives Act.

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

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FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS ACT, 1972

AUTHORIZATION OF FISCAL PAYMENTS TO AND TAX COLLECTION AGREEMENTS WITH PROVINCES

Hon. John N. Turner (Minister of Finance) moved for leave to introduce Bill C-8, to authorize the making of certain fiscal payments to provinces, to authorize the entry into tax collection agreements with provinces, and to amend the Established Programs (Interim Arrangements) Act.

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

• (1200)

ORAL QUESTION PERIOD

THE CANADIAN ECONOMY

DEGREE OF STIMULUS NECESSARY TO COPE WITH UNEMPLOYMENT AS RELATED TO PRICE STABILITY

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is for the Minister of Finance. With regard to the conference between the federal and provincial finance ministers in Jasper earlier this month, will the minister advise whether it was his position on that occasion that there is enough stimulus in the economy at this time to deal with unemployment this year? In relation to that,

with that stimulus, what is the relationship of that balance he claims has to exist between unemployment and stability of prices? Also, does the minister approve of the government program that dealt with the crisis of inflation by means of creating unemployment?

Mr. Speaker: I trust the minister can reply briefly to the question asked by the hon. member. I recognize the importance of the question, of course, but it sounded to the Chair as though it was a rather general question. The minister might try to reply briefly.

Mr. Lambert (Edmonton West): May I say my question was complex in order to avoid a number of supplementaries. I did not want to lose the chain of questions through the supplementaries.

Mr. Speaker: The minister might give his reply and supplementary replies at the same time.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I would like to supplement my reply when I intervene in the throne speech debate later in the week. I think we can deal at that time with the very profound questions raised by the hon. member.

Mr. Lambert (Edmonton West): Can the minister indicate when he is going to speak? Will it be on Thursday or Friday? We would like to have the information now because we would also like to speak on the position of the government.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I will try to work that out with the House leader. I suggest to the hon. member that he stick around.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): The Minister of Finance is hardly the one to give a lesson on being present in the House.

Mr. Speaker: Order, please.

* * *

CANADIAN BROADCASTING CORPORATION

DISPUTE WITH NABET—DEMAND THAT WIRE SERVICE GUILD MEMBERS DO STRIKEBREAKING WORK

Mr. David Lewis (York South): Mr. Speaker, my question is for the Secretary of State. Can the minister advise the House whether he is being kept informed about developments at the Canadian Broadcasting Corporation, particularly with regard to the corporation demand that members of the Wire Services Guild, who are not on strike, sign an undertaking that they will do work which is in effect strikebreaking work before they will be admitted to their jobs every day and, if so, has the minister had discussions with the corporation to persuade them to change their unreasonable demand?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, there are different versions of exactly what the position of the workers is in this regard. Several of these have been reported in the press, but the total result is not very clear.

Some reports claim that the employees refuse to work under supervisors who do not belong to the union, while others claim that they are asked to perform duties other than their own.

I have asked for a report on the situation and I shall be in a position to advise the House in the near future.

[*English*]

Mr. Lewis: Will the minister also ask the CBC whether they will agree to meet with NABET, the striking union, without the condition that NABET meet on the basis of the report? Also, will the minister undertake to make a statement on motions in the House when he finds out exactly what the situation is, because I think the CBC is acting in a medieval manner in this case?

[*Later:*]

DISPUTE WITH NABET—DIFFERENT POLICIES FOR FRENCH AND ENGLISH NETWORKS

Mr. R. Gordon L. Fairweather (Fundy-Royal): I have a supplementary question for the Secretary of State. It is supplementary to the earlier question asked about NABET and the Canadian Broadcasting Corporation. When the minister makes a statement about the resumption of collective bargaining, will he advise us why there are different policies relative to the strike in the French-speaking and English-speaking parts of the network?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I doubt, Mr. Speaker, that I can answer that question because I believe the difference in policy mentioned by the hon. member is due far more to the unions than to the management of the CBC, at least according to the information I have.

* * *

[*English*]

LABOUR RELATIONS

DISPUTE BETWEEN TREASURY BOARD AND ELECTRICAL WORKERS—POSSIBLE APPOINTMENT OF NEW MEDIATOR TO ACHIEVE RESUMPTION OF NEGOTIATIONS AND SETTLEMENT

Mr. Davis Lewis (York South): May I direct a supplementary question to the Prime Minister, not with regard to the CBC but on another urgent matter, in the absence of the President of the Treasury Board. I know that by the roster he is not supposed to be here today. Will the Prime Minister inform the House whether any steps are being taken to seek a new mediator to start negotiations again between Treasury Board and the electronic technicians so that this rather serious stoppage of work may soon come an end?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am informed that the President of the Treasury Board is going to meet a mediator in the middle of this afternoon. I take it, therefore, that a new mediator has been appointed.

[*Later:*]

Mr. Lincoln M. Alexander (Hamilton West): I have a supplementary question for the Prime Minister. In light of

the warning by a spokesman for the striking navigational-aid electronic technicians that there will be increasing disruptions on the west coast and a lack of radio safety on vessels and in light of the major disruptions in air travel, can the Prime Minister assure the House that a statement will be made tomorrow with regard to these matters in order that the country can be allayed of any fears related thereto?

Mr. Trudeau: Mr. Speaker, it will depend on the results of the meeting with the mediator this afternoon and whether the union will want to meet the mediator later in the day.

Mr. Alexander: A supplementary question.

Mr. Speaker: The Chair will allow the hon. member for Hamilton West one last supplementary on this subject.

Mr. Alexander: Can the Prime Minister advise whether prosecutions will be instituted against the electronic technicians who are not abiding by the law?

Mr. Trudeau: Mr. Speaker, I believe the President of the Treasury Board is considering that matter at this time.

[*Later:*]

May I take this opportunity to add to the answer I gave to the leader of the New Democratic Party. When I talked about a mediator I said he might be a new one. I am told it is the same mediator as before—Professor Gordon Simmons.

* * *

[*Translation*]

FINANCE

SUGGESTED CLOSER STUDY OF POSITION OF CANADIAN DOLLAR

Mr. Henry Latulippe (Compton): Mr. Speaker, I should like to put a question to the Minister of Finance.

Would he tell us whether it would not be advisable to study more thoroughly the problem of the Canadian dollar, since some observers have suggested that the present situation is prejudicial to the Canadian people?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I accept the hon. member's recommendation, especially to study from day to day the condition of the Canadian dollar.

* * *

[*English*]

GRAIN

TWO-PRICE SYSTEM FOR WHEAT—SUGGESTED EXTENSION TO ALL CEREAL GRAIN PRODUCERS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of Justice. It has to do with the two-price system for wheat. Before I ask my question, I want to congratulate him on his new portfolio, as do all from the province of Saskatchewan.

Some hon. Members: Hear, hear!

[Mr. Alexander.]

Mr. Diefenbaker: In view of the fact that a distribution of money is to be made under the two-price system for wheat, is the government prepared to have that payment made not only to the wheat farmers but also to all cereal grain producers? I ask that question in view of the fact that many farmers went out of wheat under the Lift program and therefore will not benefit as a result of the distribution. In addition, I ask the minister whether the three western Ministers of Agriculture gave him the advice that that is the way in which justice would be done and equity accorded to farmers in general?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I did receive comments and representations from many quarters including the Ministers of Agriculture of the three prairie provinces, farm organizations such as Unifarm and so on, suggesting a method of distribution which would avoid distorting production patterns in the short run and would also recognize production practices which have been adopted in the most recent past. I assure the right hon. member that we are giving very serious consideration to these representations.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: I ask the minister whether the three Ministers of Agriculture did in fact recommend that to him? Also, when he is replying he might say when it is expected the distribution will be made.

• (1210)

Mr. Lang: The discussions I held with the Ministers of Agriculture were private and confidential in their nature and I cannot comment specifically upon them, although all those gentlemen have, I believe, made their personal views known to the press and those views are therefore available to the right hon. gentleman. The timing of the payment will be announced in due course.

Mr. Diefenbaker: Might we know the date of the distribution so that we would have some idea of when the election will take place?

Some hon. Members: Oh, oh!

TWO-PRICE SYSTEM FOR WHEAT—METHOD OF PROVIDING MONEY AND MAKING PAYMENTS

Mr. S. J. Korchinski (Mackenzie): May I ask the minister whether legislation will be brought down to provide for the acreage payment to be made or whether this will be done by way of an item in the estimates? May I also ask whether payments will be made to correspond with the crop year or with the closing of the pool accounts?

Hon. Otto E. Lang (Minister of Justice): All these questions are really linked together and require an announcement of policy in connection with timing and the technique of making payments. Such an announcement will deal with all these matters at the same time.

Mr. Lorne Nystrom (Yorkton-Melville): May I ask the minister whether he is now in a position to tell us when he will be announcing the acreage formula on which the two-price system will be based, and when the farmers can actually expect to receive some money?

Mr. Lang: I would expect to be able to make an announcement concerning the formula for payment at a very early date.

* * *

AIRPORTS

SUGGESTED USE OF ARMED FORCES RADAR TECHNICIANS TO SERVICE EQUIPMENT SO PEOPLE MAY TRAVEL

Hon. Paul Hellyer (Trinity): Mr. Speaker, my question is addressed to the Acting Minister of National Defence. Would the minister agree to have Armed Forces radar technicians put the radars at our major international airports back into operation so that communications can resume and those who have to travel may be able to do so?

Hon. Jean-Eudes Dubé (Minister of Public Works): The Minister of National Defence is not here today—he is not on the roster—but I am sure he will be here tomorrow and will be delighted to answer the hon. member's question.

Mr. Hees: I have a question for the Prime Minister.

Mr. Speaker: I apologize to the hon. member for Prince Edward-Hastings. I appreciate his co-operation. The purpose of interrupting the hon. member is to allow the hon. member for Trinity to ask a supplementary.

Mr. Hellyer: May I direct my supplementary to the Prime Minister. Would he intervene and make sure that the radars are put back into operation so that communications can resume in the normal way?

Right Hon. P. E. Trudeau (Prime Minister): I will consider the suggestion of the right hon.—the hon. gentleman, Mr. Speaker.

Some hon. Members: Oh, oh!

* * *

TRADE

CANADA-UNITED STATES NEGOTIATIONS—STATEMENT BY EXTERNAL AFFAIRS MINISTER INDICATING POSSIBLE FURTHER CANADIAN CONCESSIONS—GOVERNMENT POLICY

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I should like to direct a question to the Prime Minister. Was the Secretary of State for External Affairs, when he was dealing with the subject of trade relations between Canada and the United States in Winnipeg on Saturday, expressing government policy when he said: "We have made contributions to the correction of some of these imbalances and we are prepared to go further." If so, can the Prime Minister outline to the House just what further contributions the government is prepared to make?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Perhaps I might be permitted to answer the question, Mr. Speaker.

Mr. Speaker: Order, please. The hon. minister will appreciate that there is a difficulty here. Perhaps the question might be rephrased by the hon. member who asked it in the first instance. It is well established procedurally that questions cannot be asked about statements made outside the House except in the way that the question was asked by the hon. member for Prince Edward-Hastings. With the consent of the House the minister might be allowed to reply, but in any event it would not be in conformity with the rules.

Right Hon. P. E. Trudeau (Prime Minister): If I may answer, the minister was expressing government policy.

[*Later:*]

Mr. Hees: Is the government planning, as a possible further contribution, to cancel the two principal safeguards in the Canada-United States auto pact? If not, could we be advised what other industries will be affected by this possible contribution?

Mr. Trudeau: It would be hardly proper to negotiate in public and to say right now, openly, what the government is prepared to do by way of further concessions unless we know what further concessions the Americans are prepared to make.

Mr. Hees: Does the Prime Minister not agree that industry has a right to know which parts of industry are to be sacrificed in the course of this cap-in-hand approach to the United States government?

Mr. Speaker: Order please. That is argument. In those terms the question is not in order.

* * *

ENERGY

NATURAL GAS—AGREEMENT BY PANARCTIC TO GIVE RIGHT OF FIRST REFUSAL OF ARCTIC SUPPLIES TO U.S. UTILITIES—REQUEST FOR TABLING

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. May I ask the minister whether Panarctic Oils, in which the Canadian government is the largest single shareholder, has entered into an agreement by which certain United States utilities and transmission companies, in return for advancing $75 million over a five-year period, will be granted right of first refusal of Arctic gas supplies?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, according to the agreement signed last July, those companies may have first right to refuse should the Northern Canada Power Commission authorize gas exports. But, prior to making use of this right, they must have obtained an export permit from the Northern Canada Power Commission.

[*English*]

Mr. Douglas: In view of the fact that Canadian taxpayers have a substantial investment in this company may I ask the minister whether he would be prepared to table the agreement which has been entered into between

Panarctic Oils and the consortium of United States utilities and transmission companies?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I do not know if any objections were made; for my part, I do not have any. I shall ask the president of the company for a copy of the agreement and, if possible, we shall table it.

[*English*]

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

Mr. Douglas: I am rising on a point of order regarding whether or not the President of Panarctic Oils is going to make the decision or whether the minister is going to make the decision. The minister says he has no objection. I am saying that the Canadian taxpayers as the single largest investor in this company have the right to be supplied with this information and that the decision should be made by the minister, not by the president of the company.

* * *

UNEMPLOYMENT INSURANCE

DELAY IN PAYMENT OF BENEFITS—REIMBURSEMENT OF PROVINCES FOR WELFARE EXPENDITURES—DECENTRALIZATION OF PAY OFFICES

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I have a question for the Parliamentary Secretary to the Minister of Labour. Can the hon. member say whether acceptable arrangements have been made with all the provinces for the reimbursement of welfare costs incurred as a result of delays in the payment of unemployment insurance claims, and whether the federal government has agreed to reimburse the provinces to the extent of 100 per cent in such cases?

Mr. Ray Perrault (Parliamentary Secretary to the Minister of Manpower and Immigration): Mr. Speaker, the immediate task is to ensure that unemployment insurance benefits are paid on schedule to all qualified claimants. However, negotiations are under way with all the provinces and have been completed successfully with most of them to make certain that in certain cases interim payments can be expedited through welfare offices and reimbursement made later by the Unemployment Insurance Commission. We are concerned with getting "groceries" on the tables of those who are out of work and we shall make every effort to ensure that this is done.

Some hon. Members: Hear, hear!

Mr. Lundrigan: Having heard that answer, perhaps I might put a simpler question to the parliamentary secretary, one he may be able to grapple with. Has the department accepted the recommendation which is now accepted unanimously in the Atlantic and western regions that procedures be decentralized from Moncton into the other provinces and from Winnipeg into the other provinces?

Mr. Perrault: The hon. member will be interested to know that I went to New Brunswick over the weekend and conferred with our officials there. He will be delighted to know that we have installed toll-free lines to Bathurst from several localities in north and northeastern New Brunswick. A special unit has been established in Moncton to enable us to solve Bathurst claim problems quickly. The toll-free concept has been extended to other centres—

Mr. Speaker: Order, please.

Mr. Perrault: As I have said, the object is to get groceries on the tables of these people with the least possible delay—

Mr. Speaker: Order, please. I suggest to the parliamentary secretary that he might wish to return to motions for the purpose of making a statement. He should keep this in mind in replying to questions.

• (1220)

Mr. Lundrigan: Mr. Speaker, I apologize for the lack of clarity in my original question. May I again ask the parliamentary secretary whether the department has accepted the recommendation to decentralize the pay offices from Moncton and Winnipeg and open offices in other provinces? This means establishing pay offices in all of the provinces in question, not just the two I have mentioned.

Mr. Perrault: Mr. Speaker, there will be a marked improvement in service in northeastern New Brunswick. The hon. member may be interested to know that of the 134 alleged—

Mr. Speaker: Order, please. I have to call the parliamentary secretary to order. He should look from time to time in the direction of the Chair and when asked to resume his seat he should do so.

* * *

FISHERIES

MARINE RESOURCE MANAGEMENT—CONSULTATION WITH UNITED STATES TO ACHIEVE COMMON FRONT FOR LAW OF THE SEA CONFERENCE

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Secretary of State for External Affairs. In view of the actual and threatened depletion of our Atlantic coast fisheries resources by distant water factory fleets from overseas, will the Secretary of State for External Affairs undertake to meet at an early date with his United States counterpart in the hope that present differences between Canada and the United States over proper management of our marine resources may be worked out, so that hopefully both countries will present a united front at the proposed 1973 Law of the Sea Conference on this urgent and important matter? While he is replying—

Mr. Speaker: Order, please.

Mr. Crouse: —will he also indicate when the conference will be held?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I thank the hon. member for his suggestion and I will follow it up.

MARINE RESOURCE MANAGEMENT—CANADIAN POSITION—PUBLICATION BEFORE LAW OF THE SEA CONFERENCE

Mr. John Lundrigan (Gander-Twillingate): A supplementary question, Mr. Speaker. In view of the fact that Iceland and several other countries have prepared a very firm and straightforward position to put before the Law of the Sea Conference to be held in 1973, may I ask the minister whether Canada has also formulated its position, and will it be made public in advance of the conference?

Hon. Mitchell Sharp (Secretary of State for External Affairs): I am very sorry, Mr. Speaker, but I missed part of the question. Could it be repeated?

Mr. Lundrigan: Mr. Speaker, I should like to ask the minister whether the department has formulated a clear position to be presented by the Canadian government at the Law of the Sea Conference in 1973, and will it be made public in advance of the conference?

Mr. Sharp: Mr. Speaker, we are still in the process of formulating the position that we will take at this conference. Whether our position will be made public in advance I am not certain yet since we are not yet in a position to say what this policy will be. However, it will be directed, as the hon. member would expect, toward the preservation of the fishing resources of the sea, particularly those off our coasts, and to the assertion of Canadian rights and responsibilities in relation thereto.

Mr. Speaker: The hon. member for Winnipeg North Centre.

Mr. Crouse: A further supplementary, Mr. Speaker.

Mr. Speaker: The hon. member rises to ask a further supplementary and I shall return to him in a moment. Let me again remind all hon. members that we will be running short of time. There are quite a few members who are anxious to ask questions, and if we spend too much time on each subject we will run out of time before an appreciable number of members have had an opportunity to ask their questions.

[*Later:*]

DATE OF LAW OF THE SEA CONFERENCE

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, my supplementary to the Secretary of State for External Affairs is a very brief one. In view of the importance of this matter would the minister indicate whether a date has yet been set for the next Law of the Sea Conference?

Hon. Mitchell Sharp (Secretary of State for External Affairs): As far as I know, Mr. Speaker, it is still scheduled for 1973, though I am not quite sure of the dates yet. Whether we will realize this expectation—certainly that is our purpose—I am not certain, but as soon as we do have the dates I will let the House know.

UNEMPLOYMENT INSURANCE

PAYMENT OF CLAIMS—MEANING OF WORDS "ON SCHEDULE" USED BY PARLIAMENTARY SECRETARY

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Parliamentary Secretary to the Minister of Manpower and Immigration based on a statement he made today which is similar to one he made on Friday. When the parliamentary secretary or his department says that an effort is being made to pay claims on schedule, what is meant by the phrase "on schedule"—six weeks, eight weeks or what period of time?

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, I know that the hon. member is well versed in the operations of this plan. Indeed, he attended many of the committee meetings and will realize that benefit payments depend upon the length of time of the qualifying period, be it 20 weeks or 8 weeks. The long-term claimant with 20 weeks of contribution receives payment earlier than others. I hope that this question can be brought before the standing committee so that we can go into it in greater detail.

Mr. Speaker: Order, please. Would the hon. member resume his seat? I see the hon. member for Hamilton West and others want to ask supplementaries on this subject, which I thought we had left behind a moment ago with the hope that we would get on to other subjects. The hon. member for Winnipeg North Centre has a supplementary and I will then return, as I undertook a moment ago, to the hon. member for South Shore.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, as a supplementary question may I put this to the parliamentary secretary. In view of his reference to knowledge that some members might have of the act, may I ask whether an effort is being made to get these claims paid within the first three weeks?

Mr. Perrault: Mr. Speaker, I am happy to report to the House that there has been a measurable increase in efforts to speed payments. Indeed, the claims—

Mr. Speaker: Order, please.

* * *

[*Translation*]

POWER

PROPOSED JAMES BAY POWER HYDROELECTRIC DEVELOPMENT—DISCUSSION WITH QUEBEC RESPECTING INTEREST FREE LOANS

Mr. Oza Tétrault (Villeneuve): Mr. Speaker, I have a question for the hon. Minister of Finance.

Has he had negotiations with the Prime Minister of the province of Quebec in connection with loans which might be interest-free or at a low interest rate for the development of James Bay?

Hon. John N. Turner (Minister of Finance): No, Mr. Speaker.

[*English*]

EXTERNAL AFFAIRS

ASSISTANCE TO BANGLA DESH—RESUMPTION OF AID TO PAKISTAN

Mr. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I have a question for the Secretary of State for External Affairs. Since the government recognized the state of Bangla Desh during the parliamentary recess, would the Minister state whether the government intends to provide assistance to this new state to help them with their severe economic problems; and would the minister also state whether the government intends to renew economic assistance programs for Pakistan?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the answer to both questions is yes. We have tentatively set aside a sum of money for Bangla Desh that would otherwise have been available to the whole of Pakistan in order to assist in the reconstruction effort being made. We are now in the process of once more discussing with Pakistan the new projects that we would otherwise have been discussing with them had it not been for the war.

* * *

UNEMPLOYMENT INSURANCE

DELAY IN PAYMENT OF BENEFITS—SUGGESTED REOPENING OF LOCAL OFFICES

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the Parliamentary Secretary to the Minister of Manpower and Immigration. Is it the intention of the government to reopen unemployment insurance offices in small and medium-sized industrial cities in Ontario and elsewhere which were closed about two years ago?

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, a number of new offices have been opened depending on the need that exists in various parts of the country. As well, phone service has been very much increased in order to expedite telephone inquiries. If the hon. member has some specific suggestions along this line, I hope he will make them available to the department where they will be given due consideration.

* * *

REGIONAL ECONOMIC EXPANSION

REDUCTION OF DIFFERENCE BETWEEN ESTIMATE AND ACTUAL JOBS CREATED

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to ask a question of the Minister of Regional Economic Expansion. What steps or procedures does he intend to adopt to reduce the difference between the estimated number of jobs created under the Regional Development Incentives Act and the actual number of jobs created which, as he knows, now stands at an unacceptable 25 per cent?

[Mr. Turner (Ottawa-Carleton).]

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, there is no evidence of a difference such as the hon. member mentions practically everywhere without foundation and when the plants are completed and jobs are created the number projected will probably turn out to be precisely the number achieved.

* * *

[*English*]

FAMILY INCOME SECURITY

PROGRESS OF DISCUSSIONS WITH QUEBEC—EARLY INTRODUCTION OF LEGISLATION—MEETING OF MAY 1 DEADLINE

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. In view of the fact that the government has announced as a priority item the family income security plan legislation, the former Bill C-264, and in view of the fact that in this House on Friday it was said there are still ongoing discussions being had with the province of Quebec, when will the minister announce to the House what progress has been made, why did he not introduce the bill today, and what is his plan to meet the May 1 deadline for the increase in benefits?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, the fact that discussions with Quebec and other provinces are going on and will continue to go on should not prejudice the introduction of the bill. Changes can be made in the bill, as the hon. member knows, after it is introduced. Certainly the intention of the government at the first convenient opportunity is to bring this bill forward.

• (1230)

Mr. Marshall: Mr. Speaker, would the minister answer the question concerning whether the government expects to meet the May 1 deadline for increases in the benefits as announced in the bill?

Mr. Munro: Mr. Speaker, I have already indicated to the hon. member during the last session that the mere fact that the bill had been delayed until this session made it impossible to meet the May 1 deadline in terms of payments to people.

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REGIONAL ECONOMIC EXPANSION

CLOSING OF PULP MILL, TEMISCAMINGUE, QUE.—SUGGESTED MEETING BY MINISTER WITH COMMUNITY, LABOUR AND MANAGEMENT REPRESENTATIVES

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion. Because of the anticipated closing of the pulp mill in the company town of Temiscamingue, where all the people are entirely dependent on this one industry for survival, will the minister agree to a meeting with representatives of the community of Temiscamingue, Quebec, and labour and management representatives to explore

the various possibilities that might be considered to prevent the death of the town and its only industry?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, I have not yet received such a request, but if I do, of course I shall be happy to meet them.

* * *

[*English*]

GRAIN

ALLEGED LOSS OF SALES BECAUSE OF INADEQUATE TERMINAL FACILITIES AT VANCOUVER—REQUEST FOR STATEMENT ON PLANS

Mr. Cliff Downey (Battle River): Mr. Speaker, my question is for the minister in charge of the Wheat Board. It arises from the fact that Canadian export officials have stated that Canada is making no new sales because of the inability to meet present commitments and the fact that there are 20 ships idle in Vancouver harbour because there is no grain in storage there. Would the minister be prepared as early as tomorrow to make a statement on motions concerning what he is doing in the short term to take care of this critical situation and on the long-term policy to prevent this situation happening again?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the hon. member's indication of fact that there are no sales being made is simply not a fact. This is untrue. The Canadian Wheat Board is continuing to sell grain. They have, of course, for certain months and periods of months sold to an absolute physical maximum out of the port of Vancouver. It is one of the long-term challenges to develop additional facilities at that port for what now appears to be a clear additional sales possibility through the west. There are a significant number of boats waiting at the moment. The unloads of grain, however, have in the last couple of days reached the target which the Wheat Board has set for the railways to achieve a catch-up, with 817 unloads on Thursday and around 800 on Friday. It will still take some time to catch up. The delay was due in part to the selling of a very large quantity of grain and the late arrival of boats which would have resulted in delays in loading in any case. The very severe winter snowfall conditions also delayed grain in arriving at Vancouver. The Wheat Board has the situation in hand, however, and it will be improving shortly.

Mr. Downey: Mr. Speaker, is the minister going to resort to facts again after he receives the salesman of the year award?

Mr. Speaker: Order, please. The hon. member for Moose Jaw on a supplementary.

POSSIBLE RENOVATION OF GOVERNMENT TERMINAL ELEVATOR AT VANCOUVER TO EXPEDITE SHIPMENT

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, can the minister say whether or not it is correct that Canada has lost a sale of 150,000 tons of wheat to Japan because the Canadian Wheat Board could not ensure delivery?

Mr. Speaker: Order, please. The hon. member knows he cannot ask a question in those terms.

Mr. Skoberg: Mr. Speaker, perhaps I might rephrase it. In view of the fact that there is a problem in delivery of grain at the west coast for overseas shipment, can the minister say whether the government terminal elevator at Vancouver is now being renovated so that it can be used in the future?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, no one considers that that would be an immediate practical solution. The Wheat Board is examining every possible solution to increase our capacity, including cleaning grain in the interior and putting it through the terminals without cleaning it there. But the use of that terminal is not practical in terms of the expense required to put it into operational shape.

SUGGESTED MEETING OF WHEAT BOARD AND RAILWAY OFFICIALS TO EXPEDITE MOVEMENT

Mr. Eldon M. Woolliams (Calgary North): I should also like to ask a supplementary, Mr. Speaker. I notice the minister continually refers to grain and not to wheat. My question arises from the other questions, particularly in respect of the Palliser group which said that the terminals are empty at Vancouver and short 20 million bushels and that wheat sales have been lost. Would the minister consider getting together the export officials, the officials of the Wheat Board and the railways to see if this can be remedied now and not tomorrow?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, that has been done. It has been done a long time ago and on a continuing basis. The increase of unloads to 800 to which I referred a moment ago has resulted from the railways co-operating with the new targets set by the Wheat Board above the 600 or 700 achieved earlier. I can also say that the terminals have now agreed to go on a seven-day work week basis, which previously they had not, in order to increase further the total unloads of wheat. There is co-operation on all sides, I am happy to say.

POSSIBLE PREFERENCE TO SHIPMENT OF WHEAT OVER RYE, FLAX AND RAPESEED

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, may I ask the minister whether shipments of rye, flax and rapeseed from elevator points are being slowed down in order to give preference to wheat for delivery to the west coast?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I would have to investigate whether any changes in the shipping program were made. The objective of the Wheat Board and the block shipment system is in every case to arrange for the loading of grain which is most required for the ships that are expected to arrive or have arrived at Vancouver.

Mr. Speaker: The hon. member for Regina-Lake Centre on a supplementary.

Mr. Benjamin: Mr. Speaker, it is a related question, not a supplementary, but is directed to the same minister.

Mr. Speaker: Perhaps the hon. member might be allowed to ask the question even though it is not a supplementary and then we will go on to the hon. member for Vegreville.

REPRESENTATIONS ON SHARING OF STORAGE COSTS ON ALL GRAINS BY GOVERNMENT—DISCUSSION WITH FARM ORGANIZATIONS

Mr. Les Benjamin (Regina-Lake Centre): Thank you, Mr. Speaker. I should like to direct a question to the Minister of Justice who is in charge of the Wheat Board. In view of the representations by a number of farm organizations for several years calling for the revision of the Temporary Wheat Reserves Act so that a share of the storage cost of all six grains can be borne by the federal government, can the minister advise if he and his officials have been holding discussions with these farm organizations with the objective of implementing such a revision? If not, is it his intention to hold such discussions with a view to revising the act in the manner which the farm organizations are seeking?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the answer to the first part of the question is no. I have no intention of discussing the matter with them at the present time.

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ROYAL CANADIAN MOUNTED POLICE

PROTESTS AGAINST REMOVAL OF INITIALS FROM BUILDING AND VEHICLES IN EDMONTON

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I should like to direct a question to the Solicitor General arising out of statements made last Friday. Has the minister received any formal protest, internal, external or otherwise, concerning the removal of the initials "RCMP" from the building and vehicles of the Edmonton RCMP detachment? If so would he so indicate, and will he be making a statement on motions to clarify this issue as it has alarmed many people, particularly in western Canada?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, this is an administrative decision that was taken by the Commissioner himself on November 4, 1969, as to the principle, and on October 19, 1970, as to the details. In fact, this decision of the Commissioner is widely known, since the new sign has appeared on RCMP buildings for two years already, and more particularly in Saskatoon since June 1971. So, I cannot see why there is such an alarm all of a sudden.

[*English*]

Mr. Mazankowski: Mr. Speaker, I should like to ask a supplementary of the Solicitor General. What specific directions came from the Solicitor General with respect to this matter?

[Mr. Speaker.]

[*Translation*]

Mr. Goyer: None, Mr. Speaker.

[*English*]

Hon. Marcel Lambert (Edmonton West): I have a supplementary, Mr. Speaker. In light of the changes that are being made with regard to new automobiles and the new RCMP building in Edmonton, although similar changes are not being made in Calgary, will the Solicitor General tell me whether there have been any representations by members of the force, and is he aware of petitions with over 11,000 names from the city of Edmonton insisting on the continuation of the original designation and refusing to accept the new system of designation?

[*Translation*]

Mr. Goyer: Mr. Speaker, the commissioner informed me his decision was made on the basis of efficiency, that the sign is a more visual one, that the recommendation was made on that account and following consultation within the Royal Canadian Mounted Police.

Now, I can make the whole series of signs used by the Royal Canadian Mounted Police available to hon. members, and I wish to emphasize that the words Royal Canadian Mounted Police appear twice and the words Gendarmerie royale du Canada once and I believe three times is sufficient.

[*English*]

Mr. Diefenbaker: I have a supplementary, Mr. Speaker.

Mr. Speaker: The Chair will recognize the right hon. member for Prince Albert and then try to go on to the next subject because we are running short of time.

• (1240)

REMOVAL OF NAME FROM BUILDING IN SASKATOON

Right Hon. J. G. Diefenbaker (Prince Albert): I would like to ask the minister, because his memory was not very good the other day, whether or not on the building in Saskatoon the words "Royal Canadian Mounted Police" no longer appear?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, the word "police" is very clearly written and everybody can see the RCMP shield which has shown, since 1873, the motto "Maintiens le droit" as well as the words Royal Canadian Mounted Police. All that is very clear. The answer is yes.

[*English*]

Mr. Diefenbaker: Mr. Speaker, this verbose minister does not answer the question. I asked him simply whether the designation "RCMP" has or has not been removed. I have his letter here, in case he has forgotten it, indicating that the reason RCMP was removed was that it would not blend with contemporary buildings. What an explanation!

Mr. Hees: Answer yes or no.

Mr. Speaker: Order, please. As I indicated a moment ago we have gone beyond the question period. I was hoping we would take two or three minutes to allow other hon. members to ask questions who throughout the whole

question period have been waiting for an opportunity to do so. This matter might be pursued tomorrow.

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PUBLIC SERVICE COMMISSION

EMPLOYMENT OPPORTUNITIES FOR YOUTH— REQUESTED EXTENSION OF APPLICATION DEADLINE

Mr. Norman A. Cafik (Ontario): I have a question for the Secretary of State. In view of the fact that public service employment opportunities for Canadian youth were announced on January 13 and that the closing date for applications under this program was January 31, some 18 days later, would the minister approach the Public Service Commission to see if this date can be extended so as to afford more of our youth an opportunity to apply under this program?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I would be very pleased to accept the hon. member's suggestion and to seek the advice of the Public Service Commission on the possibility of such a procedure.

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[*English*]

YOUTH

OPPORTUNITIES FOR YOUTH PROGRAM—SUGGESTED INQUIRY INTO POLITICAL INFLUENCE AND MINIMUM WAGE REGULATIONS—REQUEST FOR ESTABLISHMENT OF COMMITTEE

Mr. David MacDonald (Egmont): Mr. Speaker, I am happy to hear the Secretary of State in an agreeable and accepting mood. In view of statements over the weekend with regard to possible political influence in the allocation of programs and the other charge that there may be some real difficulties between the minimum wage regulations of the federal government and the wage allocations under the Opportunities for Youth program, I wonder whether the minister has initiated an inquiry or whether one will be initiated? May I also ask the minister, in order to avoid putting a supplementary question to him, whether he would now be prepared, in view of the evaluation of last year's program and the other youth programs, to have a youth committee established by the House in order that it could look into all these questions with some thoroughness?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, if I understand correctly, there are three separate questions in the hon. member's question, and I will need some time to reply to all three. I therefore beg your patience in spite of the late hour.

My reply to the first part of the question is that in view of the extremely serious nature for a public servant of the statements reported by the press and, in many instances, of their glaring inaccuracy, the hon. member will no doubt understand our making an inquiry in order to ascertain whether the reports have any basis and whether the official concerned really made those statements.

With regard to the second part of the question, the matter is under study. The position we took last year, and which we will maintain unless the study indicates otherwise, is that the project sponsors, not the government or the Department of the Secretary of State, are the employers. Moreover, this work is comparable to voluntary work.

As for the establishment of a special committee on matters relating to youth, or referral to a parliamentary committee which would be responsible for dealing with such questions, I am quite prepared to accept the hon. member's suggestion. However, I do not know whether we should establish a special committee or whether it might be preferable for this matter to be referred to one of the standing committees of the House of Commons already in existence.

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[*English*]

UNEMPLOYMENT INSURANCE

PAYMENT OF BENEFITS—REQUEST FOR IMMEDIATE ESTABLISHMENT OF COMMITTEE TO CONDUCT INVESTIGATION

Mr. David MacDonald (Egmont): Mr. Speaker, I rise on a point of order not with respect to the answer of the Secretary of State but with respect to earlier questions put to the Parliamentary Secretary to the Minister of Manpower and Immigration and the comments he made last week and again today. The importance of the questions being raised with regard to unemployment insurance affects so many people that I know all members of the House have also been affected. In view of the extended debate on the Speech from the Throne I am wondering whether the government House leader, because of the almost unanimous concern of all members concerning unemployment insurance and its operation, would give consideration—perhaps he might consult with the parliamentary secretary and others—to having an immediate reference without debate, which I am sure all members would support, to establish this committee at once in order that it could give immediate consideration to the matter because many thousands of Canadians have been affected.

Mr. Speaker: The Chair has no objection to the minister replying briefly to this question. It is a question and hardly a point of order. In fairness to the hon. member and to the House, the minister might be allowed to reply briefly.

Hon. Allan J. MacEachen (President of the Privy Council): I will examine the proposition to determine whether any substantial time would be gained by having a reference in that way rather than waiting for the sending of the estimates to the standing committees.

Mr. Speaker: Orders of the day.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed, from Friday, February 18, consideration of the motion of Mr. Ross Whicher for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Stanfield (p. 34), and the amendment to the amendment of Mr. Lewis (p. 45).

Mr. Hubert Badanai (Fort William): Mr. Speaker, I feel I should extend my congratulations first of all to the people of the constituencies of Bruce and Trois-Rivières for electing two outstanding members to the House of Commons. They can be proud of their members' performance in moving and seconding the address in reply to the Speech from the Throne. I hope I may be pardoned in that, notwithstanding the fine tribute paid to them by the Prime Minister (Mr. Trudeau), I should like to extend my own personal congratulations to them.

The hon. member for Bruce (Mr. Whicher) in a masterful way covered the extent of this government's achievements which the opposition for political reasons of their own have chosen to ignore. Because of their informative nature the hon. member's remarks deserve the widest possible distribution. He pointed out indisputable facts, some of which have not been grasped by many Canadians, concerning the basis of the government's performance led by a Prime Minister who has never hesitated to break new ground when the interests of the Canadian people are at stake. Whenever the election is called the voters of this country, I am confident, will overwhelmingly endorse this program.

With regard to the other issues contained in the Throne Speech we could have guessed what members of the opposition would say even before the speech was read by the Governor General. In the Throne Speech debates to which I have listened throughout the years that I have been a member I have not yet heard a member of the opposition praise the contents of the Throne Speech, and so far as this one is concerned it was no exception.

The gloom and doom tune of the Leader of the Opposition (Mr. Stanfield) seems to have set the pace for his followers, with promises of a full employment budget, whatever that might be, while the Leader of the New Democratic Party (Mr. Lewis) advocated a new social and economic system, which reminds me of Lenin when he took control of Russia and made the famous statement "we will now proceed to establish a new social order". I think we are fortunate to have a government in Canada today dedicated to the equalization of opportunities in every area of Canada, one which has been eminently successful in lifting the low wage earners, the poor, the disabled, the war veterans and the retired to a higher state or dignity.

• (1250)

In this kind of debate it is customary to touch upon a few questions which may affect one's constituency or something of national interest. I wish to bring to the attention of hon. members the Committee for an Independent Canada which held its first meeting in my constituency over the weekend of December 10.

[Mr. Speaker.]

I was astonished to read a report from that meeting during which a prominent member of the body made a statement to the effect that if it had not been for the late Right Honourable C. D. Howe there would have been no occasion for the committee to come into being and that Mr. Howe's policy was to encourage as many Americans as possible to come to Canada and that his whole philosophy was continentalism. If the man who made that incredible statement had reflected a little on the contributions made to the nation, toward the industrial development of Canada and the tremendous job of launching Canada's war effort and the colossal work of it reconstruction after the war by the late Right Honourable C. D. Howe, such a statement would never have been made. Indeed, I consider it an insult to the intelligence of the Canadian people and unworthy of the person who made it.

For the record, Mr. Speaker, and especially for the benefit of the younger generation which is too young to have known Canada's greatest architect of the postwar reconstruction of the nation, I wish to point out that when the Right Honourable C. D. Howe launched Canada's production toward the war effort, the output of Canadian industry in 1938 was $3.3 billion and the number of people employed in the manufacturing industry totalled 642,000. In 1957 industrial promotion under the wise guidance of the late Mr. C. D. Howe had reached ten times that amount and the number of Canadians employed in the manufacturing industry had risen 1,300,000.

Mr. Speaker, the outstanding achievement of Mr. Howe was the whole program of munitions supply which he conceived and directed during the war years. Whereas we went into the war with a fairly simple economy from an industrial standpoint, we emerged from the war with a highly diversified industrial machine.

Steel production is an outstanding case in point. Prior to the war we imported at least one-third of our requirements and at the end of the war we had a strong and fully integrated steel industry. I recall listening to the Fort William City Council of which I was a member. It was gravely concerned about how the new industrial capacity created in wartime could be kept busy, especially since we had a war industry in the city employing 6,000 persons. Where would they find a job in our community once war requirements were at an end? Mr. Howe immediately came to our rescue with a program for peacetime manufacturing including a flourishing trolley bus business. These were sold throughout Canada. A white paper on reconstruction which he submitted to parliament early in the postwar period contained a monetary and fiscal policy which made the transition from war to peace in such a manner as to win the admiration of other western nations that came out of the war.

The steel industry is an example of the wisdom of this postwar period. The industry continued to expand and prosper and I think it is generally regarded as the most efficient steel industry on the North American continent. Mr. C. D. Howe's critics usually concentrate their fire on what they claim to be his sellout of Canadian resources. More specifically they charge that he was responsible for the fact that we have such a large percentage of foreign ownership in the resource industries. Here I should like to

point out that the federal government does not own all our resources. In every instance relating to the large postwar expansion of the resource industries like the Alcan development in Kitimat, British Columbia, the oil and gas developments of Alberta and the Iron ore developments of Quebec and Labrador, ownership of the resources was vested in the provinces, and it is the provinces which have the responsibility of determining where ownership rests. I am amazed, Mr. Speaker, that those who charge C. D. Howe with giving away our resources choose to ignore this fact.

As an example the iron ore in Quebec and Labrador and the Steep Rock iron mines in northwestern Ontario are owned by the province of Quebec and Labrador and the province of Ontario, and the federal government had absolutely nothing to do with the arrangements for leasing the ore bodies. Of course it does have control of the export of these minerals. Through its fiscal policy the federal government probably did facilitate these developments once the provinces had granted mining leases and licences, but in almost every case the first initiative rested with the provinces.

Mr. Speaker, I understand that the government of Quebec is in great need of economic expansion and is strongly opposed to any measure which will have the effect of discouraging foreign investment. Our Prime Minister, in an interview several weeks ago, made the following statement in reply to a question whether he was against economic nationalism in Canada. He said:

> Yes, I am against economic nationalism, if its effect is to make a country poor. I don't think you can become more independent as I think Harry Johnson has put it "by becoming poorer".

As I see it, our problem is not foreign investment but more investment. Mr. Speaker, may I call it one o'clock.

Mr. Speaker: It being one o'clock I do now leave the chair. The House will resume consideration of this item of business at 2 p.m.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Badanai: Mr. Speaker, just before one o'clock I was pointing out what the Prime Minister had said about economic nationalism, namely, if it has the effect of making the country poor, he is against economic nationalism. And so am I, Mr. Speaker. I agree with the Quebec Minister of Industry and Commerce who said that any federal government move to restrict the influx of United States or other foreign investment capital into Quebec must provide for the replacement of jobs which might be lost because of it. Foreign investment is necessary not only for Quebec but also for my own constituency, Fort William, for the creation of jobs.

• (1410)

Referring to the committee for an independent Canada, I should say that for the life of me I cannot swallow the idea that Canada is not independent, contrary to the opinion expressed at this Thunder Bay meeting. The late Mr. Howe was more Canadian than those who were trying to impute to him an attitude of pro-Americanism for the purpose of serving their anti-Americanism. Mr. Howe was instrumental in urging great numbers of Canadians to get into production rather than have the country depend on importation of the numerous requirements for the war effort and for the reconstruction after the war.

In his great efforts, Mr. Howe was confronted with the same difficulties that have beset Canada from its very beginning, that is lack of venture capital and a conspicuous reluctance on the part of most Canadians with capital to get involved in projects entailing risks. This is the situation today. A shining example of this is the fact that American money came to save one of the oldest resorts in the province of Quebec, the Manor Richelieu at Murray Bay, noted as a convention centre. About a year ago its owner, owing to substantial losses in the operation of the great hotel, put it on the market. No Canadian bidders turned up. Canadian bankers were sceptical about the hotel's future. Then, a man from Cleveland stepped in. He rounded up some partners, formed a private company and kept the resort in operation. The new owners have ambitious plans for the old manor, including keeping the hotel open for a longer period each year. They deserve to make good, and good luck to them.

It will be a long time before we can achieve a position in which we will not need any foreign capital. Personally, I feel we will never be able to finance all the future industrial expansion we will require to maintain our standard of living without foreign investments. Our aim should be to retain the confidence of our foreign friends. Creation of a climate in this country that is hostile to the United States can only hurt us where we are vulnerable. Such an atmosphere could scare away investments, scare away tourists and create a resistance to Canadian goods.

Canadians are not stupid. I doubt whether they will allow themselves to be duped by the band that met in Thunder Bay, preaching more state intervention and socialism, without giving a clue as to how to replace foreign capital and foster continuous growth, without which there will be no hope of employing in Canada the expanding labour force which is increasing at a greater pace than in any other western nation. I am confident that this Parliament will continue to introduce measures which will have the effect of reducing unemployment in every region of Canada.

With regard to our relations with the United States, I wish to quote from an address Lord Thompson of Fleet delivered to the Empire Club of Toronto in which he referred to the various economies in the world. He said:

> The Americans had been carrying vast international burdens, and in fact financing the world trade by their deficit.

He continued:

> The monetary crisis could have been over sooner in my view, if the rest of us had shown more understanding. I would suggest that far from being hostile, or seeking retaliation, every Canadian should be eternally grateful and thankful for such a generous, friendly and enlightened neighbour as the United States.

Speaking of trade with the United States, about one quarter of the goods and services produced in Canada are exported, and almost 70 per cent of these exports go to the

United States. It would, therefore, be disastrous if the Canadian-U.S. trade talks should fail.

I should like to encourage our efficient Minister of Industry, Trade and Commerce (Mr. Pepin) to be firm in one aspect of the negotiations. I refer to the 1965 auto pact which brought many benefits to Canada. I recall that when it was introduced the official opposition had reservations about its value and the NDP were lukewarm toward it. But now, having seen the beneficial results, they are clamoring for it. I would simply suggest that the United States should consider not only the present net advantage to Canada resulting from the auto pact but should bear in mind the advantages the United States has had over a long period of years. I am confident the government will not agree with the United States' point of view which requires a current Canadian deficit in the trade in motor vehicles.

Another area of national interest is our immigration policy, and the disturbing statement made by a Toronto lawyer at the Canadian Bar Association meeting. This man has twice examined certain aspects of immigration for the Canadian government, once five years ago when he inquired into the problem of deserting seamen and again two years ago when he was asked to report on the increasing number of non-immigrants applying for permanent residence. In his speech, he dismissed the traditional concept of Canada as a vast empty land. He said, and I quote:

> Sure, we still have millions of acres with a negligible population, but many of those acres can never support more than a marginal population. Maybe, instead of blindly encouraging people to come to this land of opportunity, we should make a serious study to find out just how many people each region can reasonably support. It may be that natural increase would cause us to reach that desirable figure without any immigration.

The number of people which this country can support can never be reached by natural increase unless the women of Canada are bent on having no less than 10 children each, a preposterous proposition which no one takes seriously. At the time of Confederation, 105 years ago, Canada had a population of little more than three million. It has taken all that time to add 18 million to our present population of approximately 21 million. The second century is a good time, not to consider reducing the importance of the immigration department or reducing the number of immigrants, but to continue a reasonable policy of selection. By that I do not mean to let in only university graduates. I am referring to the artisan, the tradesman and laborer, of whom there is a definite shortage.

The development of a ribbon of civilization above the 49th parallel received the attention of our Canadian pioneers in the first century of our history. As this ribbon widened towards the north, unlocking vast treasures of timber and minerals, and settlements prospered on the Prairies, we experienced a period of great achievement, which the generous immigration policy at the beginning of the century made possible. Canada's history is enlaced with the story of people from many lands coming here in search of peace, freedom and prosperity. People from every country around the globe and from every walk of life came here to build a new life and to enrich Canada with character and tradition.

[Mr. Badanai.]

• (1420)

As to the criticisms which appear in the newspapers commenting adversely on the work of the Department of Manpower and Immigration, containing scathing remarks about the way in which immigration is being handled, I would point out that any deficiencies which may be apparent in the department do not extend to the immigration offices overseas. I have met some of the immigration officers and, believe me, I have never met people more dedicated, more industrious or more faithful to their trust than those in charge of our immigration services overseas. This is the case whether they serve in London, in Marseille, in Paris or in Glasgow, Scotland.

I hope the Prime Minister will consider, if not in the course of this session of Parliament then certainly in the next, adopting a new concept of the north based on a policy of encouraging and assisting suitable immigrants to settle in the Northwest Territories and the Yukon. These regions cover approximately 1,400,000 square miles of land rich in minerals, gas, oil, iron, copper, gold, furs and fish, yet less than 40,000 people, counting all the Indians, the Eskimos and the whites, live north of the 60th parallel. The adoption of such a policy will take courage, but fortunately our Prime Minister is richly endowed with that quality.

Finally, may I say that my constituents in the City of Thunder Bay are very grateful to the government for its grant of $18,720 toward hiring a co-ordinator, a secretary and ten surveyors in connection with an initiative incentive program, the purpose of which is to evaluate the need of the community for an auditorium complex which would include a community cultural and sports centre. It appears to be the considered opinion of people in Thunder Bay, which is part of the constituency of my hon. friend from Port Arthur (Mr. Andras), that this is one of the city's most pressing needs. When a scheme has been approved, financial assistance from all levels of government will be required. I trust the federal government will favourably consider making a generous grant at that time.

The opposition characterized the Throne Speech as being without substance. Unbiased people will see in it a most inspiring legislative program, the like of which has not been often heard in this chamber.

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, the outstanding thing about the Speech from the Throne delivered on Thursday is that almost unbelievably it contains no proposals for dealing with the country's most important problem, that of unemployment involving no less than 665,000 people, amounting to 7.7 per cent of the work force, who cannot find jobs.

If Your Honour would search through that pyramid of platitudes piled one on top of another for a full hour last Thursday, and listen to the Prime Minister's hymn of self-praise delivered in the House on Friday you would not find a scrap of evidence of any plan designed to increase production through stimulating the economy thereby making jobs more readily available to Canadians. Members of this House and the public generally have a right to ask why this should be the case. Everyone admits that unemployment is the No. 1 problem facing the country today. Why is there no mention of any plan to overcome it?

The answer is difficult to find because the government would obviously like to do something to cure unemployment if only to halt the deluge of criticism which has been poured upon it for the last couple of years as a result of its complete misunderstanding of the economy and complete inability to handle the unemployment situation. The reason the government has put forward no plan is that its members simply do not know what remedies to prescribe. No minister in charge of a senior economic portfolio, from the Prime Minister (Mr. Trudeau) down, has ever had any experience in production or in the sale of products or services. Yet this is what the economy and employment are all about. These fuzzy-minded theorists simply do not understand what is needed to stimulate the economy, increase production and produce more jobs. They do not understand that employers will simply decline to expand their production unless they can be persuaded that by doing so they will stand a reasonable chance to make a reasonable profit. In order to provide encouragement and reassurance, the government must institute measures which will convince employers that they will be working in an atmosphere which will sufficiently assure them of a reasonable profit from their expanded operations. If they are not so convinced they will simply decline to expand their operations, production will not increase and employment opportunities will not expand.

Leaders of industry will not expand production while the competition bill and the amendment to the Labour Code remain hanging over their heads. Business has told the government this in no uncertain terms over the past few months. The government, on the other hand, thinks that the propaganda it has put out concerning these two bills will please a great many people who are expected to vote in the next election and it has therefore decided to proceed with these bills despite the fact that doing so will result in the slowing down of economic growth, and, consequently, the chance of increased employment opportunities for our work force.

Let us consider what the government has been doing in its attempt to increase employment. It has been making grants in cases where new industries are opening up. We would all agree that this is a good plan provided the industries concerned are experiencing a steady or a growing demand for the products they turn out. But if there is no such demand, if, by any chance, there is a declining demand for those products it is obviously foolish to subsidize the creation of new plants in that area of industry. Examining the whole picture we find, for example, that in the pulp and paper industry, which for the past year has been in a situation of over-supply both in Canada and throughout the world, the government has subsidized the creation of two new companies. One of them is in Grand Prairie, Alberta to the tune of $15.7 million and the other is in Rayonnier, Quebec to the tune of $13.7 million. This despite the fact that pulp and paper plants across the country during the past year have been cutting back operations and laying off people. In particular, the plant at Timiskaming is closing down and laying off 850 people simply because there is no demand for the pulp product it produces. This gives one an idea of the kind of fuzzy thinking this government indulges in, and is the reason the business community has no confidence in the government's ability to direct our economic affairs.

• (1430)

Let us take a look, Mr. Speaker, at what the government is proposing to do. There is no indication of this in the Speech from the Throne, but last Saturday we learned from a speech made by the Secretary of State for External Affairs (Mr. Sharp) in Winnipeg, something of what the government has in mind. In his speech last Saturday in Winnipeg the minister discussed Canadian-United States trade relations and the problems that exist between our two countries in this field. Then he said, to quote his words: "We have made contributions to the correction of some of these imbalances, and the government is prepared to go further".

I should like to know why Canada is responsible for any temporary imbalance in trade that we have with the United States at the present time. We have had a trade deficit with the United States for 18 of the last 20 years. At the moment we are in a temporary surplus position, but anyone who has read the financial pages recently will know perfectly well that this temporary surplus position is evaporating very, very rapidly and will cease to exist within a few months. Yet the United States government has been able to con this government into believing that we have some responsibility to right this imbalance.

The government's approach to the United States government is one that should not be condoned: it is one of going cap in hand to the United States and apologizing for something for which this country is not responsible. The result of these "further contributions" which the government has promised to make through the speech of the minister of external affairs last Saturday, and which the Prime Minister (Mr. Trudeau) said this morning was government policy, will be that Canadian industry will have to make sacrifices that will cost jobs in this country.

The most likely industry to suffer is the Canadian automotive industry. It is very likely that this government has already indicated to the United States government that it will do away with the two principal safeguards in the Canada-U.S. automotive pact. This morning I asked the Prime Minister whether that was the case but he ducked the question. We have the right to know, and so does industry, whether the government is going to scrap these two safeguards which are of tremendous importance to the automobile industry in Canada. If not, then what other industry is going to be sacrificed at the whim of the United States government and in order to meet an argument advanced by the United States government which has no validity whatsoever? As I have said, for 18 of the last 20 years we have had a trade deficit with the United States. Simply because we are in a temporary surplus position is no reason to ask us to make further contributions to correcting the imbalance, just to please the United States government.

So we see this government doing foolish things, such as subsidizing new plants in an industry whose products are already over-produced in the world. Although Canadian plants are closing down or cutting back production, we put something between $25 million to $30 million of taxpayers' money into the subsidization of plants. This will simply make the economic life of existing pulp and paper plants in this country that much more difficult. The government is also going to make further contributions to

correcting the imbalance in trade, and this is going to cost Canadians very dearly in terms of employment.

If I may get away from this negative, do-nothing situation in which the government finds itself, let me look in a more constructive way at what can be done to create more production and thus more jobs. It is clear to everyone in this House—certainly it is clear to industry—that in order to employ more people we must first produce more. In order to produce more we must have orders for our production. In other words, we must first sell more goods.

How are we going to do this? There are two ways. The first is greatly to increase our sales of products in the export market, a market that absorbs one-third of Canada's production. The second way we can increase sales of Canadian products, both in the export and the domestic market, is to reduce costs, and thereby selling price, thus making our products more competitive both here and in the export market. We must also sell products in greater volume.

May I first deal with making greater selling efforts in export markets. To achieve this we must do three things. First of all, we must start now to send a minimum of 25 trade missions a year, composed of businessmen engaged in the production of specific products, to those areas of the world where our trade commissioners advise us that Canadian products can be sold but are not being sold or, if they are already being sold, can be sold in greater volume. I say missions of businessmen because this is the only kind of trade mission that is effective. These businessmen will make contact with those who either sell their products in their stores or use their products in manufacturing processes carried on in the country in question. These businessman meet with those who sell or use their products, and they should convince them—this is the only way they will get orders—they can make a bigger profit by using Canadian products than by using the products they are presently using.

The Minister of Industry, Trade and Commerce (Mr. Pepin) has been travelling around the world claiming that he is doing a great job of increasing sales to foreign markets. For example, he visits a country and meets the minister of trade, assures him that Canada wants to do more trade with his country, and the minister in turn assures our minister that his country wants to do more business with ours. They both are very happy with the whole thing. The Minister of Industry, Trade and Commerce then goes to a large number of dinners and luncheons at which he meets the leading businessmen of the area and tells them that we want to do more business with their country. Then, their speakers one after the other assure the minister that their country wants to do more business with ours, and similarly everyone feels very happy at the whole thing. Then, they all go home and continue doing business exactly as they always have. This is because the vast majority of countries are not state trading nations. Business is placed by individual producers who sell to individual consumers because they can persuade them they can make more money by using their products than by using other products.

Although everyone in business is fully away of this situation, these fuzzy headed theorists have yet to learn it. They think that a ministerial visit of the kind our Minister of Industry, Trade and Commerce has been making is very successful and useful, whereas in actual fact it is absolutely worthless. The figures prove that.

• (1440)

In 1971, the first month of this year, Canadian trade with every country except the United States took a very severe drop. The only reason it went up with the United States is they used more and more of our raw materials to feed their factories to turn out products and provide employment for their people. We get very little employment from all this because it takes relatively little labour to take our raw materials out of the ground and ship them across the country in their raw state. The United States market is the one market on which we want desperately to become less dependent, and yet it is the only market in which we have increased our sales. In every market in the world there has been a very severe drop. Why? Because this government is not going after trade promotion in anything like an efficient and effective manner. So, I urge the minister for heaven's sake to adopt a practical approach and adopt it soon.

The second way we can increase sales in the export market is for this government to arrange a meeting between officials of the Department of Trade and Commerce and the businessmen of Canada in our industrial centers all across the country where the officials of the Department of Trade and Commerce could meet with the businessmen concerned and show them how the department can assist them to get into the export market and make sales. This is particularly important to small businessmen who have no idea how they can possibly sell a good proportion of their products in the export market.

The third way we can increase sales in the export market is to bring buyers to Canada, the important buyers of the world who number between 600 and 700 in the big markets of the world. They could be flown to Canada, accommodated, wined and dined and entertained and shown Canada's products at giant trade shows in Toronto, Montreal, Vancouver and Winnipeg. They could be shown all the heavy material we are so good at producing. They could be shown the factories across Canada where these machines are produced. This is the way to show the people around the world what we have and to take orders.

In addition to increasing sales in export markets, as I said we can increase sales both here in Canada and in the export market as well by lowering costs and selling prices and by making our product more competitive. How can we do this? We can do it by doing three things. First of all we must increase productivity. In this connection we should take note of what the Economic Council of Canada said a few months ago in its latest report when it said that if we, in Canada, are to be able to improve conditions in the work force every year Canadian industry must greatly increase its productivity.

This can be done by offering tax incentives for increased productivity in plants where it can be demonstrated that there is increased productivity and this can be demonstrated in any plant which wants to go after it. Such tax incentives would give industrial leaders some incentive to make a much higher expenditure in plant, machinery and the new production systems necessary to keep costs and selling prices down. These tax incentives

will pay for themselves many times over in the months and years ahead because more products will be sold through their being more competitive and because more people will be employed instead of drawing unemployment insurance or direct relief. There would be more commodity taxes because more commodities would be sold. There would be more corporation taxes because lower costs reduce the overhead on individual products making available more profits to tax.

The second way we can keep prices down is to take steps to keep prices from rising at the very rapid rate at which they are rising at the present time. Prices should not be allowed to rise at a rate greater than 2.5 per cent a year which is the average yearly inflation for the past 17 years since the Dominion Bureau of Statistics started keeping a record of our yearly increase in inflation. Last year, as we know, inflation increased by 5 per cent or exactly twice the rate it should have increased. Inflation can be checked by introducing price and wage guidelines backed by the flat assertion by the government that if they are not observed the government is prepared to bring in price and wage controls. I have spoken to leaders of industry and labour about this matter. They have said privately to me that if the government should make it clear it would bring in mandatory price and wage controls; if guidelines are not observed they would have no alternative but to obey the guidelines the government sets to keep prices within the 2.5 per cent rise each year.

The third way to keep costs and prices down is to lower taxes. The way the government can lower taxes and certainly keep taxes from rising, which has been the case all along, is to stop wasting the taxpayer's money. A good example of how the government wastes the taxpayer's money was given a few days ago in an interview between the Director-General of Information Canada and a representative of the *Globe and Mail*. It turns out that although Information Canada was established several years ago at an initial cost of $7 million and has cost $7 million a year to operate since that time it has not achieved anything, but rather is doing what it was supposed to do far worse than it was being done before. Information Canada was supposed to collect reports from all the departments. They were supposed to be funnelled through Information Canada in order to be more easily available to the Canadian people. What has happened is that it takes about three weeks, for some reason or other which nobody knows, for information to come from the departments to Information Canada and be reprinted. So, if one wants to know what is going on in any department it takes exactly three weeks longer than was necessary before because previously all one had to do was call up the department and the public relations man would tell you exactly what you wanted to know. Now it is necessary to wait three weeks longer and this costs the Canadian taxpayer several millions of dollars a year to have far worse service than before.

What the Director-General of the department said is reported in the *Globe and Mail* of February 12 after an interview with a *Globe and Mail* reporter on February 11. Mr. Robert Phillips, deputy director-general of Information Canada was asked why there was such a great slowdown in information being made available. Here is what the reporter says:

Robert Phillips, deputy director-general of Information Canada, slaps his forehead, sighs a lot and rocks agitatedly on a genuine Canadian pine arrow-back chair that helps furnish his office on Shuter Street in Ottawa. Look,' he says, the situation is no better or worse than it was before we came on the scene. We deplore it as much as everyone else'.

Everybody knows the situation is a whole lot worse. Everybody knows this is the way the government wastes the taxpayer's money, that this is the reason taxes are going up and that costs of products are uncompetitive. I would simply say that the Prime Minister, in an interview last Friday after his speech in the House, was asked about what had been done or left undone regarding the unemployment situation in Canada. He said he would be glad to fight an election on the unemployment issue. Mr. Speaker, I simply say to him that if he is willing to fight the next election on the unemployment issue then he is a dead duck right now because all the polls which have been taken across the country on this government's handling or mishandling of the unemployment situation have shown that a steadily increasing majority of the Canadian people are thoroughly dissatisfied with what the government has been doing.

• (1450)

So I say in conclusion that when the Prime Minister finally does screw up his courage to go to the people, particularly if he decides to fight this election on the unemployment issue or on any other issue, the indication that I and most members of the House get is that the people of Canada will decide to elect a businesslike government in the future, a Conservative government, the only kind of government that demonstrates every day that it knows how to stimulate the economy, stimulate production and produce the kind of jobs that Canadian people not only need but deserve.

Mr. Murray McBride (Lanark-Renfrew-Carleton): I begin today, Mr. Speaker, by congratulating the two respected and talented members of this House who were given the high honour of moving and seconding the motion that is now before us concerning the Speech from the Throne. I refer of course to the hon. member for Bruce (Mr. Whicher) and the hon. member for Trois-Rivières (Mr. Lajoie). Their speeches brought credit to them and to the people who sent them here.

Today I want to take advantage of the free range of the Throne Speech debate to deal with more than one issue. First, I want to talk about the needs of the far flung constituency of Lanark-Renfrew-Carleton and the people I have the honour to represent here. Second, I want to refer to the Official Languages Act which has assured Canadians that they can communicate with their government in English or in French. Third, I want to say that the ombudsman's role of putting flesh and blood to government is perhaps the primary responsibility of a private member like myself. For example, last week alone my office handled about 200 individual requests from the people I represent regarding a great variety of problems, and this is only possible when you have efficient and hardworking secretaries which I am privileged to have. I want to commend them and the work that they do which enables me to accomplish so much on behalf of the people whom I represent.

The constituency of Lanark-Renfrew-Carleton stretches from the edge of Ottawa to almost the edge of Pembroke and goes south as far as the town of Perth. It has 18 townships in three counties and eight towns plus many villages. It includes such differing communities as the historic French speaking community of Lapasse, with all its pride and its history, and it also has towns like Lanark and Carleton Place where British immigrants put down their roots many decades ago. It has the impressive and spacious new homes of spanking new developments near Carp and the uniquely planned town of Kanata in March Township. I have therefore constituents whose work takes them frequently to all parts of this world and whose incomes are well over the $10,000 a year mark. At the same time I represent some of those Canadians who are very poor. Unfortunately, in the entire Ottawa valley we have many more whose incomes are low than we have whose living standard is high.

I recognize the arguments for ecological care. I, along with other members of the House, was very proud to share in the parliament which created a full Department of the Environment, that brought in and passed the Canada Water Act, the Canada Clean Air Act, the arctic pollution control legislation, and so on. I know of the dangers of industrial growth, but at the same time I know the bitterness of poverty and the deadening, explosive results of human dreams and hopes that are chronically deferred, perpetually postponed. It is for this reason that the hon. member for Renfrew North (Mr. Hopkins) and myself were such avid supporters of the idea of a Department of Regional Economic Expansion in Canada when the bill was introduced soon after the 1968 election. It was a cause for real hope that an entire department of the government would be created, the sole purpose of which would be to generate growth in the more depressed or slow growth areas of Canada. As hon. members know, almost exactly two years ago the county of Renfrew was declared a special area under this act, an action for which I want to give the highest praise to the teamwork shared with me by my more senior colleague in the House the hon. member for Renfrew North.

In the eight townships of Renfrew county that I represent, and especially in the large town of Renfrew, this special designation has had a very positive impact. For Arnprior, Waba and Cobden, and throughout the entire area which falls within my constituency, some $2.5 million has been approved resulting in more than 600 possible jobs. I say possible jobs because all of the plans are not yet implemented and all of the jobs have not yet therefore been created. We needed this federal assistance because in the Ottawa valley, especially in the area that I represent, we had become, industrially speaking, too dependent on the over-tooled and over-equipped aircraft industry. For example, in my own constituency there is the one major magnesium mine in Canada formerly known as Dominion Magnesium Limited, now known as Chromasco at Haley Station. This mine, because of the situation in the aircraft industry and related problems, has cut down from 16 furnaces to eight, with the resulting lay-off of significant numbers of workers. Near the same location there is the last foundry of its type in our nation, the Haley Industries Ltd. which does very specialized light alloy castings. This plant is also under significant pressure.

Within the town of Renfrew we had the very large Renfrew Engineering and Aircraft Company which was closed one year ago. This came about as the result of the pressure on the aircraft industry and especially the lack of work that United Aircraft Corporation of Montreal had and therefore the drop of orders in Renfrew. At the moment in Arnprior we have the Vertol-Boeing plant which is under similar pressures.

I recount all of this to point out simply that the designation of Renfrew county as a special area was not something that was done for no reason or through some whim but for very substantial reasons indeed because without this designation we would have been in a very bleak situation. In spite of the rather remarkable results that have come about as a result of Renfrew county being designated, it is my conviction that because of the significant pressures on the aircraft industry we are really not that much further ahead than we were before, and the designation which terminates on June 30, 1972 simply must be reinstated and must be prolonged. It is to achieve this end that the hon. member for Renfrew North and myself are now working very hard.

Growth in the county of Lanark has been steady. There the industrial base is more diversified and therefore the job opportunities far more substantial and far more secure than has been the case in Renfrew. Carleton County, of course, the third county of which I have the privilege to represent a portion, has some of the best farm land in Canada. This area, being closer to Ottawa and therefore to the national capital, has significant development coming its way, such as the recently announced large expansion to the Carp airport. These developments accrue to it automatically, but such is not now nor has it been the case for Renfrew County. I think I am in the rather awkward position, as a Member of Parliament with responsibilities for the three counties in my constituency, of always being vulnerable, as is any elected representative, to the charge of playing favourites. The fact remains however, that Renfrew County needed to be designated to a more significant degree than the other two because it had suffered far more loss of income through its very peculiar situation of being so heavily tied into the aircraft industry. So this special federal aid, more aid than has ever before been given to the County of Renfrew, must be continued and that is something that is of prime importance.

• (1500)

Now, Mr. Speaker, in case some critic, and in public life we get many critics, should rush to condemn me because I have not yet mentioned agriculture, I want to spend a few moments referring to the agriculture industry. The people in my constituency who produce manufacturing or industrial milk have been significantly assisted by the real improvement in milk prices, especially the improvement that occurred when our surpluses were reduced in Canada and we did not have to keep so much of the holdback from going into the pockets of the farmers.

Beef prices have been good and beef farmers have been doing relatively well, although higher prices for replacement cattle are beginning to squeeze the profit margin

significantly. The third product that is important in my constituency is hogs. We all recognize that hog prices were very low in recent months, and it is for that reason the federal government has just announced a $5 per hog special subsidy for up to 200 hogs. This will mean that many of my hog producers will receive outright cash assistance from the federal treasury totalling $1,000. It is a once only subsidy because many hog producers were anxious that we should not create a policy which would result in many people rushing into the industry, thereby further deflating hog prices. The government has taken action to improve the situation. To the average hog producer it has been very welcome and needed action.

Egg prices, like hog prices, have been unusually low but the future looks brighter for egg producers. One reason is that this House has passed Bill C-176. These are vitally important actions, especially the passage of Bill C-176, for such producers as egg producers and the federal assistance should be a real boon to hog producers who have been having a difficult time.

As I mentioned at the outset, I wish to turn to yet another topic. The people I represent have strong feelings about strikes and labour unrest. I would be less than responsible in representing them if I did not take advantage of the Throne Speech debate to point that out. At the moment, I am receiving some very intense pressure from all the different and conflicting sides of labour struggles, such as the present electronic technicians' strike. On the one hand, I hear from people who believe very firmly that the government should settle at once, meet the demands and settle. Others believe very firmly that we should outlaw strikes, while a third group insists that we should hold the payline and not set off another spiral of inflation such as that triggered by the seaway settlement of a few years ago. Like other members, I get it from all sides.

It seems to me that in this day and age we have to move away from the old style labour relations, namely confrontation. I am sure every Canadian has very real sympathy with what is happening in the United Kingdom where the Conservative government of Prime Minister Heath has seen the nation literally brought to its knees and faced with national bankruptcy while the people suffer incredible hardships because of the very difficult labour situation in the coal strike. We in Canada must work hard and do all we can to prevent a similar situation from ever occurring here. The truth is that the public suffers no matter in what area the strike is. I regret that I do not have any smart answers or simple solutions, because I do not think there are any. We need to rethink our labour relations so that we do not get into the position of having industry and the public at large chronically handicapped from strikes or slowdowns. We must move to stop this sort of action.

It is interesting to note that the United States, which has just settled a long standing strike on the west coast, estimates that the nation lost $23 million a day during that time. A strike of that proportion is a luxury that we cannot afford nor, I hasten to add, can we afford to diminish the right of workers to bargain collectively. This front and how to improve it is one of the real challenges of this decade which we must meet ere the 1980s are upon us.

Soon after the last election this government introduced the Official Languages Act. The prime purpose of that act was to give official status in the government of Canada and the agencies of the government, to English and to French. The basic assumption of the Official Languages Act was that most Canadians would never speak more than one language, so in order to enable Canadians who spoke only one language to deal with their government the government gave them the legal right to use either language. While that act was before this House, Mr. Speaker, every one of the four political parties supported it and suggested that this was a just and fair move. Every political party and every political party leader voted for the bill and supports it to this day. The Liberals supported it, the Progressive Conservatives supported it, the New Democratic Party supported it and the Ralliement Créditiste supported it. No political party opposed it. The House rarely shows such unanimity and agreement.

On Friday morning last the Leader of the Progressive Conservative party, who is also the Leader of the Official Opposition, (Mr. Stanfield) gave his party's official rebuttal to the government's program when he participated in the debate on the Speech from the Throne. It would seem to me that was the time when any flaw in the government's approach would have been pounced upon and, politics being the art of discrediting those in power, we might have expected any and every difficulty in our society to be attributed directly to the government's desire to destroy and diminish. It is traditional in the parliamentary process that the failure to meet any human need not yet fully met be made to appear a direct result of government callousness, any injustice turned to appear as though the government loved evil and hated good. That is the game; we all understand the rules. In parliamentary democracy we believe that good will does come by such exaggeration; that democracy is best served by the people being suspicious of every and all governments. It also means that if there is a real issue, or what might even appear to be an issue of real injustice being perpetrated, then it would be a very inept and bungling opposition that failed to trumpet it from the rooftops.

So, Mr. Speaker, it was with great care that I listened to the Conservative party leader's speech on Friday I even reread his remarks carefully in *Hansard*. What I expected to find and what I heard was there only in part. I emphasize, it was there only in part. The government was condemned by the official opposition because it is still negotiating with the United States on items on which there is still some outstanding difference. Secondly, the government was condemned because, as the Prime Minister has reminded us, there is a need for more job creation and because a number of our citizens are unemployed. We were told that even though more than 200,000 new jobs were created in 1971, that was not good enough. There must be more yet. We were, of course, reminded by the Prime Minister that this item has been given a very high priority.

• (1510)

The Leader of the Opposition attacked the government on several issues, some real and some imagined. However, to my utter amazement, one issue was not mentioned at all. There was no reference to the Official Languages Act, or to the government's implementation of that act, which every party supported when it was before the House. That

act was not attacked by the Leader of the Progressive Conservative party. He did not even mention it. Nor was the government attacked by him on the language issue at all. Actually, the Leader of the Official Opposition went so far, and I say this with some amazement, as to make a large portion of his speech in very fine French. That seems very strange to me, because I just read in the Arnprior newspapers that the Progressive Conservative party in my constituency considered the issues of the economy and of bilingualism to be the two major issues on which this government was most vulnerable. That party proposed to attack the government on those issues, and to fight the next election on them. What happened? Why was there that change?

In the first place, the Liberal government, under the leadership of the present Prime Minister (Mr. Trudeau) has said that because most Canadians will always speak only one language, it is necessary for them to be able to do business with their government in either of those official languages. In the second place, the Leader of the Official Opposition, who is the Leader of the Progressive Conservative party, stood up and made his speech in French and in English. If press reports are accurate, he has formed a 26-member committee to organize on behalf of his party in the province of Quebec. He has done that because the Leader of the Official Opposition believes that he leads a party that should be taken seriously as a national party bringing forward representatives in all parts of Canada, from one coast to the other. The New Democratic Party of course officially supported the Official Languages Act when it was before the House and I presume they still support it. The Creditistes support that legislation. So, since all four of our political parties support it, I am forced to but one conclusion, namely, that there is a new political party in eastern Ontario. Apparently the letters E.O.P.C. might mean, "Eastern Ontario Progressive Conservatives." Yet, apparently, they do not mean that at all. The letters E.O.P.C. apparently stand for a new and fifth political force in Canada, the party that might be called the "English Only Party of Canada".

Mr. Alexander: The hon. member is trying to be very clever. What is his point?

Mr. McBride: I do not know who their leader is. Obviously, it is not the Leader of the Official Opposition, because he is not anti-French. He is not anti-Quebec. I would dare to say that he seeks to lead a national party, with support all across Canada in every province. He seeks the support of all, whether they speak French or English. He would hardly do as the leader of an "English Only Party of Canada".

Mr. Alexander: What is the point of this?

Mr. McBride: Actually, he speaks French very well.

Mr. Alexander: What is the point?

Mr. McBride: I presume that the Leader of the Opposition wants to convey that any government that that hon. gentleman might form would be able to deal with Canadians in both official languages. So, it would appear that in this country we have the Liberal party, the Progressive Conservative party, the New Democratic Party, the Creditistes and the E.O.P.C. Do those letters stand for the Eastern Ontario Progressive Conservative Party? No, not at all. They stand for the "English Only Party of Canada," whose platform consists primarily of two points, the economy and the Official Languages Act, or bilingualism.

This is a very strange situation and it becomes stranger yet, Mr. Speaker, when one realizes that last Wednesday evening a member of this House went to speak to this party in my constituency. He was the hon. member for Gander-Twillingate (Mr. Lundrigan).

Some hon. Members: Oh, oh!

Mr. McBride: When he spoke there, he encouraged the faithful to pursue their attack on the government on the issues of the economy and bilingualism. He used the most remarkable argument when speaking on the subject of bilingualism. I am almost embarrassed to repeat what he said. He used the "some of my best friends are French" routine. That was rather startling, because he reminded me of people like the Reverend Ian Paisley, who would say that some of his best friends are Catholics, and of George Wallace, who would say that some of his best friends are negroes. Apparently some of the best friends of the hon. member for Gander-Twillingate, according to what he said in the Ottawa Valley, are French. Of course, when he speaks in the House he has a foot in both parties. Officially, he is a member of the official opposition, the party that is neither anti-French nor anti-Quebec and that is led by a man who is widely respected in this House as being fair.

To be perfectly fair, may I quote from an editorial that appeared in one of our local daily newspapers on January 18:

> The opposition of Western Conservatives to the Official Languages Act is still recent enough to rankle.

The author was referring to Quebec. I continue:

> Moreover, some Conservative politicians, in attacking the Trudeau government, have tried to make it appear that Quebec is getting too large a share of public investment to fight unemployment. These attacks also rankle, for payments to Quebec have merely been proportionate to the rest of the country's.
>
> Such criticism of federal policy has helped give the Conservative party an anti-Quebec image. Mr. Stanfield will need more than an organizing committee, however competent, to overcome it.

So, we come to this basic question: will this new party in eastern Ontario campaign against us on the grounds that the greatest amount of federal funds and assistance of all time have come into the Ottawa valley? That is hardly likely.

Mr. Alexander: Think about B.C.

Mr. McBride: Will they campaign against us because the government took action six months prior to the closing down of the Renfrew aircraft plant and designated Renfrew County? That is hardly likely. Will they campaign against us on the ground that we have had the largest and best trade growth in Canadian history? That is hardly likely. Will they condemn us for increasing veterans' pensions? Not at all. Will they condemn us for increasing old age security benefits? Not at all, no. Apparently the Achilles heel of this government as they see it will be that we have a Prime Minister who is partly of French Canadian descent, that six out of 26, or about one fifth of our cabinet ministers, are French speaking, and that we have

introduced a law that says you can speak to your government either in French or in English. That is what we are to be attacked on, Mr. Speaker.

It was Reinhold Niebuhr, one of the great philosophical and forward looking minds of our continents who wrote:

A free society requires some confidence in the ability of men to reach tentative and tolerable adjustments between their competing interests and to arrive at some common notions of justice which transcend all partial interests. A consistent pessimism in regard to man's rational capacity for justice invariably leads to absolutistic political theories; for they prompt the conviction that only preponderant power can coerce the various vitalities of a community into a working harmony. But a too consistent optimism in regard to man's ability and inclination to grant justice to his fellows obscures the perils of chaos which perennially confront every society, including a free society. In one sense a democratic society is particularly exposed to the dangers of confusion. If these perils are not appreciated they may overtake a free society and invite the alternative evil of tyranny.

But modern democracy requires a more realistic philosophical and religious basis, not only in order to anticipate and understand the perils to which it is exposed; but also to give it a more persuasive justification. Man's capacity for justice makes democracy possible; but man's inclination to injustice makes democracy necessary.

• (1520)

These words need repeating in the Ottawa Valley right now. "Man's capacity for justice makes democracy possible; but man's inclination to injustice makes democracy necessary." There may be times to encourage prejudices, but this is not one of them. I'm convinced that the Canadian people will respond to elementary fairness and are prepared to respond more positively. More people want to work at lighting candles than want to go on cursing the darkness. This is a time for standing together and understanding together. It is time to think Canadian from the Atlantic to the Pacific. It is a time to remember we have more things to be proud of than establishing new parties to fight against the elementary fairness that came into this House when the Official Languages Act was brought forth. I hope all Canadians will remember that this measure was supported by the leader of every political party and by the majority of members of every political party in this House. It leaves me rather distressed to note there are still political groups in Canada who feel there is political hay to be made by condemning this elementary fairness that has come to this nation.

Some hon. Members: Hear, hear!

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I congratulate the mover and seconder of the address in reply to the Speech from the Throne. I am more familiar with the mover than the seconder who is one of the newer members. The mover has always expressed himself very eloquently in this House. I sat on the Standing Committee on Agriculture with him. I have noted that if he desires, he can outline the facts as they exist. However, I was somewhat surprised to note that we were both looking at the same problem with the same idea in mind.

His speech was very reminiscent of speeches of years gone by when Liberal spokesmen always stated that we never had it so good. I was somewhat amazed when he stated that the greatest problem facing our people was to get coloured television sets instead of black and white and to have two or three cars for every family instead of one. I was a member of a committee that toured part of his constituency. I did not gain the impression that his constituency was throbbing with vitality. There is a lot that can be done in that area. Some Liberal members of that committee also visited my area. The committee toured all of Canada. We found that things are not as rosy as the government would have us believe.

We should bear in mind that this is an election year, or so we are led to believe. Of course, during an election year there is a transformation. The just society is beginning to appear in a different form than the one to which we have become accustomed during the past three years. It is as though a person were crawling through a desert in search of a drink of water to quench his thirst. If he makes it to the finish line, he will get his drink of water. If he managed to survive these three years, he will be rewarded. This is the turn the just society has taken.

I wonder why we do not hear very much about the just society any more. That slogan seems doomed to be phased out, as are many other things under this government. There is the strange phenomena of the Prime Minister (Mr. Trudeau) suddenly coming to the rescue of the monarchy. At the same time he is making such an interesting defence, we have the behind the scenes spectacle of the removal of all the symbols. In fact, today's question period was indicative of that. No longer is the RCMP to be known as the Royal Canadian Mounted Police. It is things such as this that are undermining our society and eroding what has been symbolic of Canada. No one can say that the uniform of the RCMP is not symbolic of what is truly Canadian. If one has any doubt about this, one need only stand in front of the Parliament Buildings and see the number of visitors wanting to have their pictures taken with members of that force. They feel that everyone knows the Royal Canadian Mounted Police. Every child can see this, but apparently not the ministry. I do not want to dwell on this point.

What has happened to the just society as it applies to the Indian and Métis? Why are the Indians and Métis raising such problems with the minister in charge of that department? Why do they have to protest so viciously or suggest that perhaps violence is the answer to some of their problems? Recently the minister in charge of Indians and Métis in Saskatchewan, Mr. Bowerman, suggested it might be good enough for the Indians in the north to live in log houses. It irritates the Indians and Métis greatly to see the homes of the Indian agents, Hudson's Bay employees, the clergy and school teachers, which are all modern dwellings. For the Indian family, a log house is supposed to be sufficient. One can see how much the government has done for these people and why it is they speak out as they do. The just society has not yet reached them. They have heard about it. It has reached many Canadians.

In 1968 Canadians reached out for the man who was leading the Liberal party. They thought he had a terrific slogan. The just society was a real hope for them. This word travelled throughout the country. Like drowning people, they reached out in the hope he would give them a hand. He blew them a kiss. That is where the just society ended. Now, it is all over. They can no longer reach out for this man. In fact, they no longer want to reach out for him. Some people wonder why his popularity has

decreased. It is because his credibility has decreased. He cannot fool all the people all the time.

I was a member of the same committee as the mover of the Address in Reply to the Speech from the Throne. We were concerned about some of the quotas that would be lost. He said that if you do not produce and ship enough cream, 420 pounds a year, you cannot get a subsidy. It is understandable that some people believe the Liberal policy is to drive the small farmer off the land.

Some hon. Members: Hear, hear!

Mr. Korchinski: What has happened now? Just before the election, the Minister of Agriculture (Mr. Olson) has come forward and said "Look what we are going to do." We were previously told that there was no point in trying to pay a subsidy because it was administratively impossible. We were told that there would be so much bookwork the computer would be jammed. Now, as election time approaches, we find that the same computer has had this information all these years. Now, the information is being handed out. There are 30,000 producers affected in the three prairie provinces. Do you think these people will forget? No just society there, Mr. Speaker. But the Liberals think they can fool the people. In no way can you expect these people to accept such treatment. Do you think they want to live one year in four?

• (1530)

What about the hog situation? Lo and behold, the Prime Minister (Mr. Trudeau) comes along. He is going to make a big statement. Oh, he says, we are coming to the rescue of the hog producers. He indicated that the government was at least giving consideration to the question because of the depressed prices. Time and time again questions on this subject have been raised in the House. There are a lot of people in the west who sell to the auction market. Who will get the payment? The operator of the auction, because these people do not have the slips which indicate the type and grade of the hogs they ship. A man may have the best hogs, but he is not going to get anything. What happened? Prices went down. There are a lot of people in the weanling business. They sell to the people who finish off the hogs. Because prices were low, what kind of price did they get? They had to take a lower price because the man who finished them off said, look, I cannot pay you any more, you have to take less. It was reasonable that he should pay less. But now, come election time, they up the price to the one who finishes but leave the other guy sitting high and dry. They are not going to do anything for him. There is not much justice there. Yet it is the breeders who produce the weanlings and breed the sows who take the biggest risk. It is in the first six or eight weeks that the biggest losses occur. They would have received maybe two dollars more for their hogs, but, instead, they sold them for $5 or $6 a hog. There is not much justice there.

Then, of course, Mr. Speaker, you know, along comes the stabilization program, the stabilization program with regard to which the minister has said, oh well, it was the opposition who delayed it. Now, Mr. Speaker, you know that if the minister was so sure that it was the right type of program he would not have been in difficulty. Oh yes, the bill might have taken a little longer but, after all, Bill C-176 did go through. The government did have its majority and they did ram it through whether it was acceptable or not to the opposition, whether it will damage total production in the end or not. They did ram it through, but in this case the minister said, oh well, we could not do anything because it meant putting up money. Now, in this case, it was a transitional payment which was involved. You know, Mr. Speaker, there is a definition of transitional payment. It is money that governments pay to voters prior to the change-over of the government. It is a transitional payment which was involved. In this case it was a bit too early, a bit too soon.

Of course, there is no mention of it in the Speech from the Throne, but as we know some things are mentioned in the Speech from the Throne which are never put into effect and others which are not mentioned are carried out. So you do not know where you are with this government. The minister has indicated in all his speeches in the west that he will be back. I hope he will. I hope he can understand that in the wintertime farmers do a lot of mathematics, a lot of book work. Their pencils are sharp and they are pretty sharp, too; they can figure out where they are getting the short end of the stick. They are not going to be fooled this time.

During the recess an announcement was made and, of course, every western paper got a little article submitted by none other that the Minister of Justice in charge of the Wheat Board (Mr. Lang) similar to the announcement he made through a little slip from the Wheat Board recently that they were going to pay out so much money. But this was the greatest break-through in his entire career. He wanted the people to believe that he was the one who had the two-price system idea and sold it to the cabinet. I wonder what claim to fame the Minister of Industry, Trade and Commerce (Mr. Pepin) has. It was while he was in charge of the Wheat Board that the announcement of $1.95 for domestic wheat was made. Apparently he had sold somebody on something. We thought then he was coming up with an acreage payment or a two-price system.

What did we find? It is a re-heated, warmed-up acreage payment. Lo and behold, after all this time, after all this fanfare, we find out in the Speech from the Throne that it is not to be a two-price system, it is to be an acreage payment. This is interesting. An acreage payment is not a break-through because since 1959 we have had an acreage payment. Payments went out, and farmers in those days were satisfied that they were in lieu of the two-price system. But let us watch this drama unfold. It is full of intrigue. The minister goes to Assiniboia in a by-election and says to the electors: If you elect a Liberal candidate you will get the two-price system because he will work for it. This is the first inkling we had that he was actually working on something and wanted to announce it. But come on boys, come on. That is how we used to call horses with a little pan of oats. That is how we lured them into a barn.

Mr. Lang: On a question of privilege, Mr. Speaker. I simply want to tell the hon. member that if he is referring to what I said he should be as accurate as possible. What I told the electors in Assiniboia was that if they sent a Liberal member to the House of Commons the two-price system would be a big step closer.

Some hon. Members: Oh, oh!

Mr. Korchinski: I will accept what the minister has said. But obviously we did not need a Liberal in the House, since, obviously, a step has been taken.

Mr. Lang: Some of us doubled our work, that is all.

Mr. Korchinski: Act two! Everybody gets excited. The word goes out. The press publishes it. The minister goes on television to talk about the greatest break-through in a century. Everybody is wondering how are they going to pay it. Would it be in the form of acreage payments? No, too much like the Diefenbaker years. The debate is taken up by various commentators. Then act three comes along. The minister invites the ministers of agriculture from the three prairie provinces. They are meeting to discuss how this will be paid out. The ministers get together with their officials and begin working on the plan. Of course, there is much publicity. They are at work. There are consultations. Then, of course, we go on to act four. The farm organizations are asked how they would like to have this payment. Everybody is at work. Look at all the publicity we are getting. Everybody is busy at the pool committees. It is discussed at the country elevators. They submit representations and the delegates at the pool offices get their heads together. Farm unions are taking credit. So everybody is busy, and that is the end of act four.

• (1540)

We now come to act five. The Throne Speech announces some acreage payments. Do you think for a moment, Mr. Speaker, that that announcement was made at a time when the minister did not know how the payments were going to be made? He must think people are stupid and tries to let everyone run around in circles. The reason we have been losing what sales to Japan, according to some reports, is that we do not have sufficient ships available at Vancouver.

Then, to add to the drama the minister introduces act six, wherein he refuses to give the House information. When this question was raised in the House today the minister refused to give information, and as a result there is more waiting, more guessing. Are the payments going to be related to this or to that? Will they be paid directly to the farmers or be paid into the pool, now that the pool accounts have been closed off? Or will they be paid at the end of the crop year? All of these are possibilities. And so we add to the drama.

Having said that the pool accounts are closed off now reminds me that last year the payment had to wait until there was an election in the province of Saskatchewan. For some reason they could not close off the accounts; there was supposed to be too much work at the Wheat Board. Since the election last year was of no assistance to the government they are now trying a different strategy. Apparently, it is now not too much trouble to close the pool accounts early. Again, the government thinks we are stupid.

There seems to be a lot of election talk around here.

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

Mr. Korchinski: I just have a few minutes and there are some other matters I want to remind the minister about. For example, on January 22, 1969 I moved the adjournment of the House in order to discuss the shipping problem at Vancouver. Apparently in three years the minister has not learned very much. He does not apparently know that we have a winter or that we need to speed grain shipments. Although the minister talks about grain sales, how are we going to increase sales unless we can guarantee delivery? Knowing that we presently have a backlog of sales, no customer is going to consider purchasing more at the present time. The minister cannot tell me we are not losing sales simply because we cannot deliver.

During the past three years no plan has been formulated to deal with just such an emergency as this. We are getting into the same situation time and time again. In light of President Nixon's visit to China, I think we should go after all the sales we can since we do not know what will be the outcome of his visit. It may well be that the United States will cut into our sales to China, and it is possible we will have to go scrounging a lot harder for sales. Certainly, we derive no comfort from the minister's claims of increasing sales.

Under the minister's stabilization plan the farmers would have had to carry a deficit of $10 million on their own shoulders. The government has an obligation to pay that $10 million. After all, since we used to get $2.12 a bushel for our wheat, anyone who thinks that as a result of the recent announcement the public will leap for the Liberals is just dreaming.

Mr. Osler: How much more wheat would you have sold, then?

Mr. Korchinski: Just let me illustrate to the minister what this payment is going to mean to the farmers. In the year 1959-60 there were 225,000 permit book holders in Canada and their acreage payments worked out to about $190 each. Today those 225,000 producers would receive roughly $240 each, in other words, an increase of about $50 over a span of ten years.

Let me look at some comparisons. Our total budgetary expenditures in 1959 were $5.3 billion. In 1960 they were $5.7 billion. For this year they amount to $13.1 billion. In other words, since there has been a 2.3 times increase in ten years, we should be paying 2.3 times as much as we paid our producers in 1960, which means they should be receiving $440, not $240. In other words, they are being short changed. Yet the government is trying to lead them into believing that they are getting a better deal. Although we have had a final payment of $1.99 a bushel, last year we were down to $1.60 and predictions for this year are that it will go even lower.

Let us examine the net income received by farm operators in the three prairie provinces. In 1960 they received $640 million. In 1962 they received $910 million. Then, after almost ten years of Liberal rule, in 1971 they received $502 million, but there were 35,000 fewer farmers. Not much justice there, Mr. Speaker. With regard to total operating costs, from 1959 to 1963 the cost was $683 million average. In 1971 it was $1,147 million. Not much justice there, either.

In the few remaining minutes at my disposal I want to remind the House of a toast I once heard to justice. It went something like this: "Here's to justice in this fair

land, I just got a divorce from the old man; I had to laugh at the judge's decision, he gave him the kids and they wasn't his'n"! That toast pretty well illustrates the type of justice we have in our society today.

I obtained certain information from the deputy minister's office regarding personal income taxes since the government has been telling us about the number of people who will pay less income tax. It appears that in 1970, 9,195,000 people paid income tax. The estimated number for 1971 is 9,498,000 and for 1972, 9,436,000. In other words, only 60,000 fewer people, it is estimated, will pay personal income tax in 1972 compared with 1971. So why all this talk about millions of people who will not have to pay income tax? These are the figures that were provided to me this afternoon. What has been done in the meantime? The propaganda machine has been hard at work illustrating justice Liberal style. I do not think the people of this country can be fooled very long.

• (1550)

I have illustrated the income position of our farmers. I have illustrated, by comparison, what this means in terms of dollars and cents. I have illustrated the intrigue which has been built up. All we have is Information Canada and a big bureaucracy hard at work trying to sell an idea which cannot be sold. In no way will the unemployed people in my area be satisfied when their payments are two months in arrears. This is all for the sake of what? A revamped plan. If one is unemployed how can one have sufficient money on which to get along? Figures were quoted in respect of an exemption of $1,500. What is there to be proud about in the fact that somebody has not earned $1,500 in this country. A person cannot live on bread and water and the roots in the ground. One still needs a few clothes and so on. Then, there is the matter of rent.

I could go on, Mr. Speaker, but I believe I have said enough to point out that there is no just society and to point out that there is a good deal of propagandizing. Everybody in the west is cynical about the situation. When there was frozen damp grain on the ground, the government should have come to their rescue. Then, the people might have believed the government. But the government left them alone to fight for themselves. Then, the rules in respect of cash advances were changed to make it impossible to get payments.

The Acting Speaker (Mr. Boulanger): Order, please. I regret to interrupt the hon. member but his time has expired.

Mr. Bill Knight (Assiniboia): Mr. Speaker, it is with a great deal of pleasure I have the opportunity to speak in the debate on the Speech from the Throne. I was quite interested in the remarks of the hon. member for Mackenzie (Mr. Korchinski) on the recent by-election in Assiniboia. I should like to remind the hon. member for Mackenzie that it was not the Conservative party which won the by-election in Assiniboia. I should like to remind the hon. member that it was not the Conservative party that, over the years has advocated the two-price system for wheat, but rather the New Democratic Party. I should like also to remind the hon. member that it was not the Conservative party which stood to the end against the government's grain stabilization bill but rather the New Democratic Party.

I come from an area of the country which is one of the finest grain and cattle-producing areas in existence. The city of Weyburn and the many towns in the riding are an integral part of the agricultural areas surrounding them, The life style of people in this area is based on hard work, along with co-operation with one's fellow man. That is why the area's economy is very much based on the principles of the co-op and credit union movement.

I should like to deal with the references in the Speech from the Throne to agriculture in general. The last four years of Liberal government could very well be called the wasted years. During the Parliamentary recess, I spent my time travelling the 34,000 square miles of the Assiniboia constituency. In the many towns and rural communities, the farmers reminded me of the very difficult economic situation in which they find themselves under this present Liberal government. They find their way of life being threatened by the increasing difficulties faced by farm people. It is the record of this government in coming to grips with these problems I want to deal with today.

While travelling the riding I heard the announcement of the minister in charge of the Wheat Board of a two-price system for wheat. The establishment press immediately heralded the announcement as a great victory for the minister. We in the west have given up believing the establishment press a long time ago. The farmers I talked to in Assiniboia were not so quick to heap praise on the minister in charge of the Wheat Board, the very same man who initiated the erroneous Lift program.

How well farmers remember their battles with the old parties, be it Liberal or Conservative, to initiate a two-price system for wheat. Furthermore, Mr. Speaker, the farmers do not forget their friends, for it was the old CCF and NDP that stated the case for the two-price system here in the House of Commons. The Assiniboia by-election indicated the complete rejection of the government's record in the field of agriculture. Now, we see the government attempting to repent its wasted years. Last minute repentance on the part of this government will do it no good in the next federal election. The farmers I talked to in the Assiniboia area told me to point out a few facts to the government.

First of all, the grain producers are quite concerned about the method of paying out the additional moneys. We shall wait in anticipation for a detailed statement by the minister on the method of distribution. I suppose the government is going to use the two-price system as a cure-all for agricultural policies. I am sure in the next election the government will convey to the non-farmers in this country that all possible has been done to aid the farmer. May I point out to you, Mr. Speaker, that prices on other grains in the last year have reached some all-time lows. For example, on September 22, 1971 the price of rye was 92 cents per bushel, the price for barley was 99 cents per bushel and the price of oats was 61 cents per bushel. Yet the cost of production continues to rise, catching the farmer in a cost-price squeeze. This government's phony war on inflation did not prevent the cost of farm machinery parts from going up. Why not any action on the Barber Royal Commission's recommendations on the

price of farm machinery? The government should be aware of the need to bolster the price of all grain sold in the market. The government should concern itself with developing a guaranteed annual income for farmers as well as all Canadians.

If I may digress for a moment, Mr. Speaker, I see the member for Bruce (Mr. Whicher) has given recognition to the fact that a certain group in Regina has named the minister in charge of the Wheat Board salesman of the year. Here in the eastern press that undoubtedly looks impressive. Well, we in Saskatchewan have seen Liberal politicians presented with this honour before. As a matter of fact, this award is usually a step along natural progression to political oblivion for Liberal politicians.

Mr. Knowles (Winnipeg North Centre): Or to the Senate; the same thing.

Mr. Knight: Lately the Minister of Agriculture (Mr. Olson) has been singing quite a tune about how this government is really committed to the concept of the family farm. It seems the task force report on agriculture will not be easily accepted by the farmers, and it certainly should not be. As usual the government is announcing some rather doubtful programs under some fancy sounding titles. For example, there is the small farms development program. How strange it is that such a well-titled program cannot seem to get the agreement of the provincial governments. The minister claims the program is to benefit the small farmer. I suggest this program, without considerable revision is merely a subtle means of carrying out the recommendations of the task force report. I challenge the minister to show this House how there will be the same number of farmers in Canada as there is now once the small farms development program is in operation. The minister knows that farm depopulation will continue as long as the farmer is caught in the cost-price squeeze and the government encourages small farmers off the land by allowing the Farm Credit Corporation to sell their land to existing farmers. There is no provision to enable a young man who is not farming to get the land.

• (1600)

One question that could be asked is: is there any restriction on agrabusiness or land speculators obtaining the land? This is not small farm development, but small farm consolidation, nothing more. The Minister of Agriculture has recently announced a $5 subsidy on pigs to a maximum of 200, this is on pigs with a carcass quality of 100 or higher. The deficiency payment on hogs does not take into account some very important changes in the hog farming business since the Agricultural Stabilization Act was introduced in 1957-58. There have been a number of complaints from hog producers who have specialized in production of weanlings which they sell to feeders for finishing, but the deficiency payment is not related to them. Many small producers will not benefit because of the carcass quality of 100 ruling. In Saskatchewan the program does not take into account the many joint hog raising operations. How will the subsidy relate to an operation run by more than one farmer? I hope the minister will consider making some changes for the farmers who face these particular difficulties.

In the last year, the government introduced the grain income stabilization bill. The principle of stabilizing the grain income of farmers met with no barriers from anyone involved with agricultural policy. However, the program outlined by the government was totally unsatisfactory. The minister in charge of the Wheat Board (Mr. Lang) totally mishandled the bill in the House of Commons. The government, being committed by law to pay moneys under the Temporary Wheat Reserves Act, went ahead with a new plan and broke the law by withholding the payments to which they were committed. Now, that same minister is in charge of administering justice for all Canadians. What irony, Mr. Speaker. It seems that imposing injustice on western farmers is a prerequisite to being put in charge of administering justice on behalf of this government.

Let us examine what is wrong with the minister's grain stabilization policy. First of all, it is a disaster plan, not a stabilization plan. Pay-outs only come when the entire industry faces a disaster. The farmers in Assiniboia often suffer from drought while others in the prairie region do not. This plan was of no benefit to their particular circumstances. The plan begins in years when receipts were unusually low, thus making the possibility of a pay-out in the near future very limited. Furthermore, the farmers would no longer receive the dried-out bonus, as inadequate as it was and, secondly, the government was no longer committed to payment on the storage of wheat under the Temporary Wheat Reserves Act. The cost of storage would fall upon the farmers when prices for farm commodities were already too low. The most important drawback in the plan was the use of the gross income basis instead of net income or net cash receipts basis. Every farmer knows that you can have a high gross income, but it is how much you have left after you pay the bills that counts.

Mr. Yewchuk: Whose warmed over speech is that?

Mr. Knight: It is my own speech, my friend. The minister in charge of the Wheat Board may reintroduce the stabilization bill without revision, but I can assure him that the farmers of the prairie region will find it as unacceptable as before. Any grain income stabilization plan must consider rising costs of production and regional differences within the western provinces. There should also be provision for payment of storage costs of all grains under the Wheat Board jurisdiction.

The farmers in Assiniboia expressed grave concern over the transportation system which moves their products as well as handles their machinery from the east. It has been noted that the Canadian Freight Association has filed tariff No. 1003 to take effect on February 11, 1972. Freight rates are to be increased by 3 per cent to 8 per cent on about one third of the goods carried by the railways. In general, grain and grain product rates are subject to the increase, except statutory rates and traffic moving under agreed charges. Here is an example of what happens to a farmer's product when shipped. This is a letter from a farmer in the Riceton area which I received several months ago explaining what happened to a shipment of his malting barley. I should like to read it into the record.

I am a comparatively small farmer by today's standards on a section and a half, 25 miles from Regina, Saskatchewan on the Regina Plains, which is supposedly the best grain farming land in the world. Like many farmers, I must grow a number of different kinds of grain in order to be in a position to market something for revenue.

This past summer I grew some barley and made preparations in my permit book to market one carload of barley for malting purposes. A sample was sent to Winnipeg for analysis immediately after I threshed this grain. The report from Winnipeg stated it would grade Dry, 3. C. W.—6 row—Malting.

In early November I received permission from the Wheat Board to deliver to the elevator in Riceton one carload of malting barley. This was unloaded in Winnipeg on November 14, 1971 as malting barley. I would now like to relate exactly what happened to my barley before I received any remuneration whatsoever.

I asked that payment for this carload be deferred until January 3, 1972. Payment was based as follows—91 cents per bushel plus 5 cents premium for a total of 96 cents gross weight, 2749.2 bushels, less 4 per cent dockage, 110 bushels, with a net grain shipped, 2639 bushels at 96 cents a bushel, which comes to $2,533.63.

The charges against that shipment are as follows: freight on a carload to Winnipeg, 20 cents per 100 pounds, for a total of $263.92; government weighing and inspection, $4.50; terminal cleaning charges on 2749 bushels, $13.75; country elevator handling charges, $103.10; service charge at 1 cent per bushel, $39.59; storage charge, $43.98; interest on freight, $3.64—amounting to a net loss of $472.48.

The farmer points out in the letter attached to this shipment that he lost one fifth of the shipment to the grain trade, or 20 per cent. Not only that, but he asks why interest was charged on the freight? What became of the screenings from the cleaning process? Do they go into the manufacture of expensive prepared feeds? Did the company not need the barley, and why is the farmer paying the freight charges? He asks what the service charge is for.

These are the kinds of things that catch farmers in a cost price squeeze, but I, and I am sure most of the citizens in Assiniboia, find it totally unreasonable. Not only are such increases in freight rates of concern to the farmer but the future of the delivery points are of concern as well. Whey did the government withhold its new transportation policy from public scrutiny? Could it be the political repercussions of the proposals in the policy statement? Will the government be adhering to a policy of decreasing the number of delivery points? Where will the Liberal party stand on the issue of rail line abandonment when it comes before the Canadian Transport Commission by 1974? How many lines will be up for abandonment in the Assiniboia constituency? Will the lines running west of Radville to Willow Bunch be abandoned? Will the lines running west of Estevan be abandoned? Which of the two old line parties will be the first to jump to the defence of their old friends, the railway companies, when rail line abandonment is again a possibility?

• (1610)

Mr. Speaker, the issue of the retention of the family farm as the basic unit of production in agriculture has not come to an end. The question of price for their commodities is still with us. The question of delivery points abandonment is still with us; the question of an adequate transportation system is still with us; the question of rail line abandonment is still with us; the memory of the Lift program is still with us; the memory of the inadequate grain income stabilization policy is still with us and, unfortunately, Mr. Speaker, the oldline parties are still with us until the next federal election.

[Mr. Knight.]

Mr. Raymond Rock (Lachine): Mr. Speaker, the Speech from the Throne outlines the interest of the government in stimulating industry, developing the north, extending CBC services, giving equal rights to women, low cost housing and in taking action in many other areas.

Being a member of the Standing Committee on Indian Affairs and Northern Development, I was happy that the Speech from the Throne contained an announcement of the creation of three new parks north of the sixtieth parallel, each as large and as spectacular as any in the world. This is a subject matter which we studied in our committee. Another important announcement was that the Canada Manpower programs would be enforced and additional steps taken to make the training and placement service adequate to the needs of specially disadvantaged people whose particular problems pose challenges which cannot be met with the use of regular program resources or techniques.

As a member of the Standing Committee on Miscellaneous Estimates, I brought to the attention of the then Minister of Manpower and Immigration the fact that many skilled English speaking people who are unemployed cannot obtain jobs in the Montreal area because they do not speak French. At the same time many skilled French speaking people, because they cannot speak English and industry is now demanding bilingualism, have a difficulty in finding positions. I hope that in this session the Minister of Manpower and Immigration (Mr. Mackasey) will provide language training in English and in French in order that these people will have the opportunity, through manpower training, to learn these languages.

As a member of the Standing Committee of Transport and Communications, I have been vitally interested in the research and development of the communication satellite. I am delighted that the government is prepared to extend national broadcasting service to one million Canadians in 260 communities who receive no television service in their own language. This will mean that within a five-year period 98 per cent of Canadians will be served. I hope that in the future we can build satellites that will broadcast direct to homes. This would mean that our three TV networks, and the three American networks, would broadcast direct to homes over the whole of North America.

The paragraph in the Speech from the Throne which interests me greatly is the following:

While taking care to preserve for the future, we should wherever possible, preserve and restore those achievements of the past which are an essential element in our self-understanding as a people. You will be asked to consider, therefore, a bill creating and endowing a corporation to be known as Heritage Canada which will go far to ensure the preservation of items and collections from Canada's past and to make these accessible for the enjoyment and understanding of Canadians in all parts of the country. Heritage Canada, complemented by a broadened national museums policy, will demonstrate the achievements of our forefathers and their successes in overcoming physical isolation and in converting dreams into reality.

We seem to readily forget the achievements of past explorers. Are you aware that the historic centennial train did not show Cavalier De LaSalle, the first settler of Lachine, the greatest explorer of North America, the man

who discovered the Great Lakes, the Mississippi Valley and founded New Orleans? Because his discoveries are now divided between Canada and the United States, he is being forgotten by Canadians and Americans and was forgotten by the planners of the centennial train.

I hope that those who will direct Heritage Canada will look into the possibility of reprinting a book entitled "Lake St. Louis, New and Old", a book containing early history of the west island of Montreal, a book that is very rare. In fact, I know only of two copies in existence, one in the parliamentary library and one in the city hall of Lachine. The author of this book was Mr. D. Girouard a Member of Parliament for the House of Commons for 13 years from 1878 to 1891. I made a request that this book be reprinted for centennial year, but that was refused by the Honourable Judy LaMarsh. Many libraries, schools and citizens of the west island were hoping to obtain copies at that time. I hope that Heritage Canada will make this possible.

As a member of the Standing Committee of Transport and Communications, I hope that Heritage Canada will include in its program the preservation of the Lachine Canal as an historic site and as a viable waterway for pleasure craft. The first inhabitants of Lachine came in the year 1666, over 300 years ago. Robert Cavalier Sieur De LaSalle was granted a seigniory west of Ville Marie, and the area was called Lachine because of LaSalle's pretentions that he would discover the route to China. As early as 1670, a missionary, Monsieur De Fenelon, made the suggestion to link Lachine with Ville Marie by a canal through Lake St. Pierre, thus avoiding the portage at Sault St. Louis. In 1700, Dollier De Casson, Superior of the Seminary of St. Sulpice, undertook the cutting of a canal. In 1714, Gedeon De Catalogne, a marine lieutenant and engineer, attempted to complete the canal without success. By 1733, the Lachine Canal was constructed for a mile in length to a depth of two feet, six inches of water and provided a practicable waterway for the canoes bound for the Ottawa and the far west. It was not until nearly a century later from 1821 to 1824 that the canal was reconstructed; it was enlarged in 1843 to 1848 and again in the years 1877 to 1880, with complete reconstruction between 1896 and 1904. Transit navigation on the Lachine Canal ended in 1959 with the opening of the St. Lawrence seaway. Without any proper consultation, the seaway authority in 1965 backfilled the east end of the canal and took no initiative to look into the future use of the canal. Their foremost thought was to get rid of the old Lachine Canal.

I made two speeches in the House of Commons demanding that the Lachine Canal be used for pleasure craft back in January, 1967 and October, 1970. Through Heritage Canada, it is hoped that the Lachine Canal, which played a vital role in our early Canadian life, will continue to be part of our lives as a living historical monument, a viable recreational haven and a gateway for pleasure craft from the heart of Montreal to Lake St. Louis, west to the Lake of Two Mountains and the Ottawa River or the St. Lawrence to Lake St. Francis, the Great Lakes, and possibly east to Lake St. Pierre, the Richelieu, Lake Champlain and the Hudson. I believe that the citizens of St. Henri, Ville Emard and Point St. Charles, who have for so many years been deprived of water rights on the St. Lawrence River because of the Montreal harbour, should be given the opportunity to own pleasure craft and the proper facilities such as a Lachine canal waterway with marinas, and the right of access to Lake St. Louis and Lake St. Peter.

• (1620)

Although the government has been silent in regard to the Lachine canal, they hired planning consultants, Jean-Claude Lahaye et Associés, who studied the canal's future role and recommended that it be used for pleasure craft and even that the east end be reopened. Although the government is silent in this regard, it seems the Rideau and Trent system, and even the Richelieu canal system, will be retained and developed for tourists. What is wrong with these tourists having the facilities to enter their pleasure craft into the heart of Montreal? I say, Mr. Speaker, that it is time this government took action through Heritage Canada and created a historic parkway along the Lachine canal amd made this area look as beautiful as the Rideau Canal Parkway.

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I am pleased to have this opportunity of participating in this debate. May I first congratulate both the mover and the seconder of the Address in Reply to the Speech from the Throne upon their participation in this debate. They must have taken some pleasure from being singled out by their government to lead off this debate. I was also pleased last Thursday, as one who believes in the constitutional monarchy form of government, that the government reverted back to old practice and that the Governor General mentioned the name of the Queen on more occasions than has been usual in the recent past.

May I now turn to some of the questions that I am sure are in the minds of all Canadians, because they have been asked almost continuously since 1968. There were some in Canada who questioned the direction of this government when the present Prime Minister (Mr. Trudeau) became leader in 1968. Today, there is no doubt in anybody's mind as to this government's direction. It has been Liberal. The extent of that liberalism probably exceeds that of any government's in Canada's history.

Let us look at some examples of this liberalism. Let us look at the government's liberalism in the proliferation of misery and suffering in Canada. There has never been more in the memory of most. The degree of that misery would exceed even that of the 1930's if it were not for the social justice system that has been established in this country by governments, both Liberal and Conservative, since that time.

The government has been liberal with unemployment. It has spread like a cancer among Canadians who, in 1968, could not have anticipated or imagined themselves in such a position in 1972. The government even went so far as to manufacture its own unemployment with ill-fated policies that were supposed to defeat inflation. We managed to get the worst of both worlds by this action.

It has been liberal in sowing the seeds that destroy incentive and promote the welfare method of living in the nation. One now has to make an assessment as to whether money will be lost if one goes to work, if a job can be found. The government has done everything in its power to sap the strength and optimism of the business com-

munity. It has frightened off investment with its so-called tax reform legislation. If that were not enough, it has kept a competition act in the wings that would be the delight of any totalitarian dictator. No businessman in his right mind could anticipate additional risks and investments with a bill like the competition act threatening his very existence.

The government has been very, very liberal in its actions in downgrading our parliamentary institutions, our Queen and anything British in our traditions. It has manufactured a new strata of bureaucratic red tape, with "Trudeaucrats" now numbering close to 300 and with a taxpayer tab in excess of $3 million annually. It has tried to muzzle Parliament, the Auditor General and anyone else who might try to stand in its way.

It has been Liberal in its abuse. Here is where the Prime Minister has really provided leadership. He started with the press of the nation; but it was not long before Canadians in every walk of life learned he would not discriminate. He has abused the youth, the worker, the business community, Members of Parliament and, now, as his crowning achievement, the Premier of British Columbia. Of course, Premier Bennett should feel flattered, for the Prime Minister has now allowed him to join an exclusive group with the Premiers of Manitoba and Ontario. Yes, the Trudeau government has been very liberal, but in areas where liberalism was neither required nor desired.

Last week in the House the Prime Minister took great pride in passing out insults to the leader of my party. He was especially critical about the degree of his pessimism. What man, with the knowledge gained from watching this Prime Minister and this government perform for four years, could develop anything but depression when considering their future performance. I noted that the Leader of the New Democratic Party (Mr. Lewis) was the recipient of the same dose of venom. Maybe it was not quite so large a dose, yet it was in direct proportion to the extent of the threat of that party to the government in the coming election.

Let me tell the Prime Minister that the only pessimism and gloom in the mind and heart of the Leader of the Official Opposition (Mr. Stanfield) relates to the fact that he knows there is still some time to wait before a general election, and that the people of this nation must suffer during those days while this incompetent government is trying to run the country. There will be only sweetness and light after the day the ballots are counted, for once again the people of Canada will have a government with a heart and soul. Canada will have a government with a program, with a direction and with feelings for its fellow men and women.

Mr. Osler: You are right.

Mr. Coates: The hon. gentleman across the way says, I am right. I am sure I am right, because the party in power will be the Progressive Conservative party.

Mr. Osler: Now, you are wrong. Don't bet on being right.

Mr. Coates: Mr. Speaker, I would not wish to suggest that the hon. gentleman should not bet on it. I hope he does bet on it. I hope he bets a lot, because not only will he not be back and not receiving his indemnity, but he will have to pay off his election bets.

Mr. Osler: Does the hon. gentleman want to bet? If he does, will he put his money where his mouth is?

Mr. Coates: The hon. member is very affluent, and I would bet with him anytime.

Mr. Osler: The people where I come from have common sense.

Mr. Coates: Well, they didn't show it in 1968.

There was no gloom in Nova Scotia when the Leader of the Opposition was premier of that province. Every year of his leadership was a better year than the one before for the residents of that province. There was enlightened leadership in the province and, for most of those years, enlightened leadership in Ottawa. During those years we had the government of the right hon. member for Prince Albert (Mr. Diefenbaker). That government produced policies, not pious platitudes, that resulted in a better way of life for our people.

An hon. Member: Like more unemployment.

Mr. Coates: Compare that partnership with the Trudeau-Regan axis that has resulted in the illegal collection of taxes, a multi-million dollar deficit and more misery and suffering than has been experienced in Nova Scotia in many a decade.

Let us now examine the attitude of the Leader of the Official Opposition who, after the next election is called, will be prime minister of Canada. Let us look at the words of that hon. gentleman and determine what kind of Canada he can foresee. I am going to read a few words spoken recently by my leader in Hamilton, Ontario. I will let hon. members compare them with the cold, calculating callousness of the Prime Minister (Mr. Trudeau). This is how my leader described Canada when speaking in Hamilton:

• (1630)

Let me tell you about the Canada I would like to live in, the Canada I would like my children to inherit and their children after them.

It would be a country in which the accident of birth will not mark a child for life, where the fact of life will be sanctified and celebrated.

It will be a country where every child will bring with him into the world the right to acceptance and love: the right to grow at his own pace: the right and the opportunity to satisfy his curiosity about the things around him, the right to live up to his full capacity for understanding and learning.

It will be a country in which freedom of thought and of movement, of expression and determination will be available to all its citizens.

It will be a country whose people are governed gently and responsively by men and women who truly wish to serve the common good; a country in which to fulfill man's most profound aspirations and to live his finest dreams; a country where men and women can grow old without fear.

Those are not the words of a man who cannot see a bright, new tomorrow. As we approach the start of the general election campaign, we listen to a government that must turn to itself for false praise and undoubtedly the false courage that it needs to face the electorate. The pace

was set by the mover of the Address in Reply to the Speech from the Throne and emulated by the Prime Minister. They can find no one to praise them but themselves.

The Prime Minister told us how tough he and his ministers were. Yes, the Prime Minister was tough when he threatened to kick a young lad in the seat. He was tough when he hurled insults from a warm and cozy car at picketing workers who marched in the cold. This government has been tough with the old age pensioners, the veterans and the unemployed, who cannot secure the benefits to which they are entitled. Yes, it has been a tough government; tough to reach, tough to make realize its policies are not working, tough to get money out of whether you be a farmer in western Canada or a government, either provincial or municipal. Yes, it has been a tough government, tough on Canada and Canadians, but it has not been tough where it should be tough. It has not been tough in settling strikes in essential services which have tied up the nation and produced additional misery and suffering. In an area where toughness is required and desired, where the nation cries for action, there has been none.

The day of the strike in essential services has passed. A more humane approach has to be found. In the government service, these strikes just have not worked. They have turned out postal service into a shadow of a once effective and efficient operation. They were neither useful nor helpful to the air traffic controllers, who finally had to revert to binding arbitration. They are showing their ineffectiveness in the present strike of technicians. Today, as we have learned from the coal miners strike in Great Britain, they can destroy the vitality of a nation. There are no longer any by-standers in strikes in the national sector. There are no winners in such strikes.

No doubt this is the reason George Meany, probably the most powerful and knowledgeable person in North America on the effect of strikes, has said there has to be another way. In order to hasten the day when the strike in essential services will be abolished, it is my intention to introduce a bill in this House to abolish the right to strike among members of the Public Service of Canada whose work is considered to be vital to the common good of the nation. It is my hope it will receive the support of all members of this House. One would have thought this government would have gotten the clue from George Meany when he stated the day of the strike in essential services has passed. But no, this government's brain is so deadened to anything different that might be of value to the nation that it probably will not get the message for another six months, and by that time, God willing, they will not be in a position to do anything about it.

I should like now to turn to the new Unemployment Insurance legislation. It is good legislation. It has its imperfections, but those can be remedied through amendment. There is only one reason for the inefficiency that now exists in the payment of claims, and that is the government's incompetence. The government was so anxious to pat itself on the back that it could not find time to prepare either the employees of the Unemployment Insurance Commission or those who would be seeking benefits as to how the new act would work. No one can tell me that members of the Unemployment Insurance Commission could not have done the work both effectively and efficiently if they had been given the proper opportunity to prepare themselves. Instead, the government imposed the new system on the nation while the old system was still in operation and is in operation at this time.

This government also committed the Unemployment Insurance Commission to complete computerization of both the old and new system without establishing a cross reference system that would have given warning of improperly completed data cards. As a result, they have brought an army of unemployed to the doors of welfare offices across this nation because they are without funds and cannot secure them, although they are entitled to them. They have forced members of the Unemployment Insurance Commission to work untold hours trying to sort out the mess, probably to the verge of nervous exhaustion. And what are we told? We have described for us the great compassion of the Minister of Manpower and Immigration (Mr. Mackasey) for his fellowman. This apparently is what the unemployed breadwinner is to put on his table in place of food. It is almost as tragic as the thousands who have been forced off the labour market by direct government action. Only if you watch the television advertising of the wonders of this new Unemployment Insurance legislation will you realize what a bonanza it is for the workingman of the nation. It is part of the dreamworld of Messrs. Trudeau and Mackasey that has no relationship to reality, except in their minds.

What of regional economical disparity? Like the just society, it should not be discussed. After all, it was only a slogan for the last campaign. There will be new ones for the one this year. In Atlantic Canada we have one consolation. It is a sad consolation, but it is the only one. There is more economic disparity today than was the case in 1968 all across Canada. Therefore, there are more people in exactly the same position in which people in the Atlantic provinces have been for a long time. Indeed, this condition has spread, like a plague, right across the nation. It is hard to imagine unemployment rates of 18 per cent, but that is the sad fact of the case in both Prince Edward Island and Newfoundland today.

If this government really wanted to solve the ills of the Maritimes, they could have done it with Fundy power. I know that President Roosevelt had lots of economists of the type that are now present in Ottawa who would throw their hands up in fright and quote interest rates when he brought in his new deal and established the Tennessee Valley Authority. He ignored them and this government should have also. Instead, we cannot even get this government to appoint those persons to the committee that has been delegated to re-examine the report of the programming board that carried out the initial examination of Fundy. It is very obvious this government has no time for Fundy because the mandarins have said it should not be undertaken.

We hoped we would have a viable transportation policy for our area by now. The former Minister of Transport asked the four premiers of the Atlantic provinces to produce for him their recommendations on what a viable policy would include. They presented a package to him. It was an all-inclusive package. It was inter-related. Let me quote some of the recommendations which it contained:

• (1640)

1. The provinces will accept modifications in the blanket subsidization of intro-regional traffic subject to the strict qualification that a federal-provincial agency be empowered to administer transportation assistance from federal funds to selected industries within the Atlantic provinces.

2. Its initial step will be to extend the subsidy of 30 per cent to traffic moved by all modes and to pay it to the shipper.

3. The appointees to the agency must be residents of the Atlantic provinces.

4. The administrative offices of the agency must be located in the region.

5. The Atlantic Provinces recommend that the federal government maintain the freeze on Atlantic provinces rail rates until such time as the new regional transportation policy is effected.

6. The recommendations are important and essential. They are inter-related and designed to be implemented in their entirety. They must be implemented as soon as possible if transportation is to become a tool rather than an obstacle for regional economic development.

Mr. Speaker, the government did pay attention to part of what was proposed by the Atlantic premiers. It reduced the subsidy which was available within the selected territory from 20 per cent to 17 per cent and intends to reduce it by a further 2 per cent on April 1 of this year unless the Minister of Transport (Mr. Jamieson) makes some pronouncement to the contrary. It did not set up a funded agency of the type the premiers had requested. Instead, it set up an advisory agency with no funds of its own. It made no difference where the agency was located; there was no reason for it to have any office since it did not have any money to spend.

The premiers also suggested that the people appointed to this agency should be businessmen involved in the industry of the area. Instead, we got six civil servants. I am sure that in the course of their lifetime they have learned a great deal about the way in which a businessman faces the problem of transportation in the Atlantic region. One thing the government certainly failed to do was maintain the freeze of freight rates as requested in the submission. We know they did not do that, because since the freight rate freeze was lifted in September, 1969, we have been subject to eight freight rate increases in the Atlantic region. These have resulted in increases which have forced shippers in the region to bear increases of between 32 and 62 per cent. If, as presently anticipated, the intra-regional subsidy is reduced on April 1 from 17 per cent to 15 per cent, the shippers in Atlantic Canada will face their ninth freight rate increase, an increase of 3.4 per cent.

Nothing has worked because nothing of value has been tried. Yes, we are given DREE grants for the establishment of new industries, just as they are provided to about every other area in the country. But there has been nothing new, nothing suggesting the type of policy which was the hallmark of the Diefenbaker administration.

An hon. Member: Thank goodness for that.

Mr. Coates: An hon. member over there says "Thank goodness for that." Let me tell him through you, Mr. Speaker, that there has never been a government in Canada's history which was as good a friend to the Atlantic provinces as the Diefenbaker administration.

[Mr. Coates.]

An hon. Member: Only some dumbbell from Ontario would make a statement like that.

Mr. Gibson: Speak for yourself. Use your own whistle.

Mr. Coates: I don't know where he came from but you can have him. People in Atlantic Canada are well able to compare the efforts of the Diefenbaker administration with those of Lester Pearson or of the present Prime Minister (Mr. Trudeau). They know that in the person of my hon. friend from Halifax (Mr. Stanfield), with his background of achievement, there will soon be a prime minister in Ottawa who is familiar with the area and its people and who will apply the policies necessary to do the job. They now wait only for the opportunity to give him the job.

Mr. Paul Yewchuk (Athabasca): I want to say at the outset, Mr. Speaker, that everybody in the country knows that we have a terrible government governing us at the present time.

Mr. Gibson: Except the people.

Mr. Yewchuck: I shall, therefore, not spend too much time telling you how terrible they really are. I am sure you already know that, Mr. Speaker.

An hon. Member: More gloom and doom.

Mr. Osler: Tell us what you would do.

Mr. Yewchuck: I am invited by the hon. member for Winnipeg South Centre (Mr. Osler) to tell him what we would do. That is exactly what I want to do. I want to speak in a strictly positive way. I want to speak on the subject of Senate reform.

An hon. Member: Have them elected.

Mr. Yewchuk: I think we all agree that Senate reform is necessary. As a matter of fact we have hard statements to this effect from members of all parties in the House from time to time in the four years during which I have been here.

Mr. Knowles (Winnipeg North Centre): On a point of order, Mr. Speaker. We do not advocate Senate reform. We advocate its abolition.

Mr. Yewchuk: Abolition is really a kind of reform, if you look at it in the true sense of the word. I should like to remind some of the members to my left that they do have representation in the other place.

Mr. Knowles (Winnipeg North Centre): Oh, no.

An hon. Member: What about Hazen Argue?

Mr. Knowles (Winnipeg North Centre): He is not one of us.

Mr. Yewchuk: Although they do not publicly acknowledge it, a lot of them have a secret desire to go there. I want to suggest a formula which will make it easier for them to get into the Senate without losing face, since they have taken an extreme position from time to time on this subject.

I believe we would all agree that when the tax reform bill went through the Senate in December the image of that body seemed to hit an all-time low in the eyes of many people. I was upset by that, because I think the Senate is, in fact, a useful body; with appropriate reform it could be reconstituted as a much more reputable and acceptable portion of our parliamentary system. I believe token efforts have been made by the government to do something which they would like to call reform inasmuch as they appointed a Social Creditor, on one occasion, and others, who are reputed to be Socialists, on a further occasion. But this does not amount to real reform. An attempt was also made to involve the Senate in make-work projects. I do not think this is reform, either.

Why has the other place fallen into some disrepute, or fallen out of favour with many Canadians? One reason might be the method of appointment of members of that body. As we all know, it is entirely the prerogative of the Prime Minister of the day to choose whoever he wants to fill vacancies, and usually he chooses old friends either of himself or of his party. I do not have any objection to old friends; I have old friends myself and I respect and admire them. However, if the old friends are not the friends of the opposition party, then that party may consider they were not really a good choice for these appointments.

• (1650)

I do not want to imply that party workers and supporters of the Prime Minister's party are a bad choice as such, because I know most of the Senators personally and many of them are very fine people. However, I do think that the method of their appointment does put them in a position where they must often be on the defensive about their appointment with members of the public, and I think that this is something they should not have to face.

Another argument we often hear raised is that Senators are responsible to no one, that they do not have any constituents to worry about, and as a result after being in the other place for many years they might lose touch with the realities of Canadian life. Again that may or may not be a valid criticism, but it is a criticism we hear made from time to time. I am not suggesting that Senators should have constituencies as such. Perhaps members of the other place who are supposed to take a sober second look at legislation put before them should not be placed in a position where they are sensitive to certain pressures, as members of the House of Commons may be vis-à-vis their constituents. Therefore, in order for the Senators to have an unbiased view of any legislation that comes before them it is reasonable to argue that they should not be directly responsible to any constituency.

Within the past few months I have had the opportunity of speaking to members of legislatures from various countries. I had the privilege of attending a conference in Germany on the subject of pollution at which were present representatives from about 28 other countries. I talked to most of them about the structures of their Senates, their house of representatives, or whatever the case was, and with this kind of review I came up with some suggestions that I thought might be worth at least placing on the record so that perhaps some day action may be taken on them.

For example, let me take the case of the two extremes first. The members of the House of Lords in the United Kingdom are appointed in large numbers, most of whom are not active. At the present time I think there are something like 800 to 900 members of the House of Lords, of whom only 100 or less are active in the parliamentary system. They do not receive a salary of any sort but simply play their role on a voluntary basis, strictly out of interest for the system of parliamentary democracy.

The second extreme is the system used in the United States, our neighbours to the south, where Senators are elected for a six year term and carry a fairly large amount of prestige with their election. As a matter of fact, they also possess what appears to be a large amount of power. I think there is a very definite drawback to that situation. I may be wrong, but my impression is that the Senate of the United States or the upper house, if you like, has developed into a body which really overshadows the House of Representatives. Certainly, I should not like to see this happen to the House of Commons of Canada, since we are all members of the House and do not want to be overshadowed.

Therefore, we have to take a look at some system that falls between these two extremes. One of the complaints we have heard made about our parliament is that the House of Commons, as a natural result of the population distribution of this country, is in reality controlled by the two largest provinces, the provinces of Ontario and Quebec. Therefore, some of us who come from provinces other than these two feel at times that legislation is put forward in such a way as to give the two largest provinces more advantage than the western or Maritime provinces. As a result of this, there is legislation on the books that is in fact detrimental to the west and to the Maritimes. Let me give an example of what I mean. The freight rates in western Canada are very much discriminatory against the western provinces. The tariff structures that protect the industries of central Canada do no good to the resource-export industries of the western provinces.

So then, the question is: What is it that we want to achieve in Senate reform? I should like to suggest that we should develop some kind of system of electing members to the upper house, but not by direct vote of the kind that elects members to the House of Commons. Further, I suggest that the authority that is now vested in the Prime Minister to appoint Senators should be withdrawn. I also suggest that in order to balance off the criticism, that the House of Commons is controlled by the two largest provinces there be a redistribution of the number of members of the Senate who represent the different provinces. It should also be possible to replace members of the upper house from time to time prior to their becoming 75 years of age or so, though I realize there are some sitting members who are beyond that age yet are still extremely active and valued members of the upper house.

How do we achieve the aims that I have outlined? Firstly, I think it is possible to elect Senators indirectly; in other words, let elected people elect the Senators. In my view, the best elected body to elect members of the upper house is the legislature of each of the provinces. I think that an equal number of Senators should be elected from each province, and they should be elected by the legislature of the province. They should be elected for a term

similar to that of a member of the House of Commons, say for a five-year term, and they could all stand for re-election if they so desired.

The reason I suggest an equal number of Senators from the various provinces has already been outlined, and this is that since the House of Commons is dominated by the two largest provinces, the upper house, with an equal number of voices from each of the provinces, would counter the imbalance that now exists. I further suggest that in order to round the figure off to an even 100, nine Senators from each province and five from each of the Yukon and Northwest Territories be elected. When the Yukon and Northwest Territories become provinces, the figures could be readjusted to bring about equal representation in the upper House for them too. I think, briefly, that lays out the formula I have developed in my assessment of Senates around the world. I think the idea of fresh blood in the Senate, on a regular basis, would reinforce that body, would give it the opportunity to take more pride in itself and be less on the defensive about its existence. It would certainly lead to a far better parliamentary system than we have today.

• (1700)

Mr. Colin D. Gibson (Hamilton-Wentworth): Mr. Speaker, I wish to congratulate the mover of the address, the hon. member for Bruce (Mr. Whicher), and the seconder, the hon. member for Trois-Rivières (Mr. Lajoie), mon voisin à la chambre. The hon. member for Bruce, in his strong and competent manner gave balance to the debate, for he accurately put before the House some of the accomplishments of the government and heaped well deserved criticism on the stagnant opposition for spreading doom and gloom in every direction in this great nation at a time when our country has survived two major crises, one the security crisis when our Prime Minister (Mr. Trudeau), through his bold, imaginative and courageous leadership, restored order out of chaos in this nation, and the other an economic crisis in which all the opposition hawks were shouting for a cap-in-hand visit to Washington on the one hand and restraint on the other, and which ended in a great economic victory for Canada in the financial crisis which existed. Not a word of praise was given by any opposition spokesmen for these great achievements.

Hamilton-Wentworth is a large, partly urban and partly rural area. It is the heart of the county of Wentworth. We have many hardworking industrial workers who have played a great part in the development of a strong and dynamic industrial Canada. To name two great companies, there is the Steel Company of Canada, a pioneer in steel development on this continent, and Dominion Foundries and Steel, a company with the best industrial relations system of profit-sharing in the world.

When I look around this great country and see the air strike and the radio-television strike, I wonder whether the government of Canada should not be trying to work along the lines of the great Dominion Foundries and Steel company's profit-sharing scheme in which the employees fund a certain percentage of their earnings and the company out of its profits funds several times that amount. This money is placed into a fund so that the workers when they retire may share in the profits of this great company. It seems to me this should be the trend in industrial relations today. The blight of strike must end, in all sgements—the federal scene, the provincial scene and the municipal scene.

[Mr. Yewchuk.]

Even that experienced labour leader, George Meany, last week revealed to a large audience in the United States that he is opposed to strikes. When we have a strong and outstanding labour leader such as George Meany coming to that conclusion, it would appear to me that the reason he has reached this conclusion is that it is not in the best interests of the labour force of the United States. I believe it is not in the best interests of the labour force in Canada in essential employment such as the airlines, national defence, the police services and communications services where the interests of the citizens must be paramount.

We cannot afford to continue these strikes and we must search to find a mechanism for compulsory arbitration in labour disputes. We must find a mechanism whereby labour will be more satisfied with the system by which disputes are settled. We must give labour a strong voice in the settlement of wage disputes. We must find a forum whereby this can be developed. I believe it will be done very shortly in this country, and I believe Canada should be encouraged to lead the way to a more dynamic, progressive and fair settlement of industrial disputes.

In the field of external affairs and defence, I wish to to say I had the honour of visiting the Canadian force in Cyprus in January this year as a member of our House committee. I am proud of the fine service being rendered by the Canadian force in Cyprus. It is composed of the finest troops in the world. The force is a model of diplomacy and leadership. The members of the force are loved by the people of Cyprus be they Greek or Turkish. They are serving in Nicosia which is partially divided into some areas human as enclaves in which the Turks predominate. They are performing a difficult and arduous task without much publicity. I wish to give publicity to their fine work and the imaginative and forceful service they are giving.

I believe this country has a role to play in peacekeeping, which will be established as time goes on, through the United Nations. Through the United Nations we and other countries can help prevent war by having observer corps go out early, supplemented by the parties to the dispute who will be glad to have the atmosphere cooled under imaginative, forceful and dynamic United Nations' leadership. I hope and pray that the new Secretary-General of the United Nations will receive throughout the world the support that is necessary to achieve those ends.

I urge that this government make a more forceful effort to reduce armaments throughout the world. I hope and pray that we will stop arming of any kind other than that which is absolutely necessary for continental and NATO self-defence. I say, with the greatest sincerity, that I believe we should try as backbenchers, with great persistence, to work toward this goal. The traffic in arms in Cyprus, where Archbishop Makarios has received arms, is an example. I hope the Canadian government will do everything it can to cool that down and put a stop to it. The trafficking of arms is a disgrace to the world. It is a threat to civilization, to mankind and to the very existence of this world.

I hope when I am at the United Nations again—and I trust I shall return there some day—we will see greater leadership by that World Council and greater determination by the two big powers to come to grips with the permanent setting up of the council's peacekeeping machinery to end the bickering and chaos which goes on in respect of whether one man or another man will be the leader. There should be more dynamic trust placed in the Security Council's deliberations to help those who are trying to form a United Nations peacekeeping code second to none in history. This must be done, and we must take more active interest in this type of activity.

In the field of taxation, it was obvious to me that although the trite comments of the Leader of the Opposition (Mr. Stanfield) fell on plauditory ears on his side, they brought forth no new ideas on tax reform. This must be capitulation. Surely the opposition can see that the removal of six million Canadians from the tax rolls has helped those six million people who have suffered from low income.

• (1710)

We have reformed our unemployment insurance program. I admit we are having difficulties with the administration of the new plan due to the installation of computers, and new forms, and difficulties with the new mechanism of implementing this act, but we are granting more money to those who really need it. We are faced with the economic problems of unemployment. This has been the most progressive and finest step which has been taken to deal with these problems.

The opposition heaps scorn and derision on our alleged failure to cure unemployment, despite the fact that in Canada we have created more jobs than have all the western European countries put together. Despite the fact that we have struggled with an increasingly growing work force, we have imaginatively created local incentives programs which certainly in my riding are working well in the Saltfleet area and in the city of Hamilton area. These are progressive reforms. They deal with a situation which must be dealt with rapidly. They are imaginative and successful.

The Opportunities for Youth program had great success last year despite a few bad grants, and we all know about them. But what about the thousands of good grants that were made, where young people were given a tangible method of contributing and working for Canada? These were very successful. They will be expanded this year and we will go on to a more imaginative and constructively practical plan than ever before in our history. The opposition did not criticize any of these plans. They cannot, because they know they are good. I suppose they cannot be expected to praise us where we have done well.

The opposition have not suggested any alternatives. Do they have ideas for the retraining of old people? Do they have ideas for constructively employing people who are aging, who cannot manage a full eight-hour day but who can do part time work? I notice that the hon. member for Surrey-White Rock (Mr. Mather) came up with a constructive suggestion along these lines, but it was not taken up by the other members in his party. I suggest that his was a constructive idea and he should be praised for thinking along these lines.

However, the Leader of the Opposition is bereft of such ideas. He has nothing but gloom and doom, nothing but words about the election coming, and all he relies on is figures which he says will help him. That is what he is resting his campaign on, and I submit that it is falling flatter than a pancake.

With regard to the reform of our rules, I am pleased that we have brought about many changes which have made Parliament more realistic. However, I submit that during the debate on most bills a time limit of ten minutes per speaker should be imposed, for two reasons; first, that most speeches longer than ten minutes are repetitive and irrelevant and, second, that limiting speeches to ten minutes will create more dynamic interest in this chamber. More people will be on their feet and there will be a chance to hear expressed more views than those of a few who have to labour a long time speaking in debate after debate. This will get more people into the act, into the game. I think it would add to the interest and the imaginative function of this Parliament and would make it more realistic.

With regard to the Indians, the Eskimos and the Metis, I wish to reply to something that was said by the hon. member for York South (Mr. Lewis) who said sarcastically that the Prime Minister and the government were negative in the Throne Speech about Indians and Eskimos. Nothing could be further from the truth. Much was said forcibly, succinctly and rationally, not only in the Throne Speech but also by the Prime Minister who has set as one of our national goals the conquering of the isolation of the individual.

As a member of the Joint Committee on the Constitution I was deeply moved and impressed by the recognition of the urgent and compelling necessity for our government to create better communications with the Indians, Eskimos and Metis in our far north, particularly the Metis who have been left in a no man's land in the sense that they are not treated as either Indians or white people. We must somehow try to bring the Eskimo people into our great society in Canada and encourage social workers to assist them, to understand the plight of these people, as well as to give them equal treatment with the Indians. I submit that we should work hard toward the day when we have an Eskimo senator, because it is time we did. Also, I believe that the Metis should be given equal rights with the Indians.

I believe in a multicultural Canada, in a Canada that accords recognition, respect and love to every Canadian no matter where he comes from, be he a Croatian or a Serbian. Let us pray and hope that they will become Canadians in the full sense that is evidenced by many Croatians and Serbians in the great city of Hamilton. They are hardworking, industrious people who have a love of their own culture and who practice at picnics and social gatherings their folklore, dances, customs, traditions and language. This is part of being Canadian and it enriches Canada by according to the past respect and love. We must look forward, as we do as Canadians, to making this country the greatest in the world.

I am pleased that, as is mentioned in the Throne Speech, we will make "O Canada" our national anthem. I cannot refrain, at the same time, from urging the government to make July 1 Canada Day—le jour Canada—crowning our

efforts to create greater symbols for Canada. If they will not go for Canada Day, perhaps they will go for Maple Leaf Day; but let us have something more imaginative, constructive and Canadian than Dominion Day which, in one of our official languages, in many areas is considered to be subservient.

I believe in a multicultural Canada with two official languages, in a nation which consists of our native peoples, the Indians, Eskimos and Metis, and has many cultural roots in the Italians, Germans, Ukrainians and Poles. I also hope that we will find it possible to bring to Canada more Chinese. Has any man in this chamber ever met a Chinese he did not like? I submit that they enrich our humour, culture and dignity, and I hope we have more of them here.

I am proud of the multicultural policy of Canada. I am proud that the Secretary of State (Mr. Pelletier), despite many sly innuendos aimed in his direction, has advanced this Canadian society by advocating and initiating an imaginative and worth-while outlook for Canada. It means that we welcome the development and maintenance of all the cultural ties and languages in our great Canadian nation; we encourage the growth of greater understanding among Canadians from coast to coast.

I hope you will bear with me, Mr. Speaker, when I prod a little deeper into a problem of individuality which is an important theme in the Throne Speech. When we look at the individual we realize that many of us are lucky, successful and wealthy in comparison with many other Canadians. I wonder if we could not find a means of pairing a Canadian of wealth with one in poverty, if we could not have a dynamic policy whereby every person with an income of, say, $10,000 or $15,000 tries to pair himself with someone who has suffered. One cannot get a perfect solution by doing that, but let us not scorn it. I feel that we should do this also in the school system so that every lad from a good, happy home is encouraged to find in the city block or area an unfortunate child and become a friend, a big brother of that child. I do not see any government plan as such to encourage this kind of operation.

• (1720)

Throughout Canada we have Big Brother groups, the YMCA, the Roman Catholic Church Aid, the Protestant Church Aid and all kinds of aid groups, but there does not yet seem to be a comprehensive plan, which will be part of everyone's life, to help individuals in poor circumstances. I really believe this could be done and I believe that this government could do it. I see no reason why it would not work. I would go even a step further and say that I hope and pray that every schoolchild in Canada will eventually have a pen pal in some other part of the world. We should try to build bridges between individuals of the world, because until we are strong enough to bind ourselves together with trust and confidence as individuals we shall not solve the problems of armaments and the arms race.

Mr. Speaker, I praise the Prime Minister for the bold initiative he took in recognizing the People's Republic of China. It is apparent that this recognition was a very important consideration in the changed attitude of the United States toward China and in the fact that the heads of those two countries are meeting today. I think it is another example of the initiative, daring and brilliance of the Prime Minister that he should bring this about. I have no hesitation in praising the Prime Minister for taking these courageous, interesting and innovative steps which have not only recognized China but brought about wheat sales to China and put us on the map in Asia in a way we have not seen before.

I mentioned that I have been to Cyprus. When I was in a restaurant there, a friendly man turned to me and asked where I was from. When I said Canada, he shrugged his shoulders and said "Trudeau" with a big smile, and we shook hands. I can tell you, Mr. Speaker, that it was a moment of great pride for me. Our Prime Minister has the imagination, the daring, the physical strength and moral courage to put Canada on the map in Asia and throughout the world, and he will go down in history as one of Canada's greatest prime ministers.

Mr. David MacDonald (Egmont): Mr. Speaker, the opportunity to participate in the Speech from the Throne debate is welcome because it is one of the few debates in this House where members are given almost complete and free rein. While I have not studied the precedents in this regard, I imagine there are very few instances when Your Honour or your predecessors were able to demand that a member speak in relation to the issue currently before the House. The Speech from the Throne tradition is very old and is important in the sense that it gives the 264 members of this House, or those who participate in the debate, an opportunity to reflect on matters of national and immediate concern from their own particular vantage point.

I think it is particularly important for this country that we have this debate, and it is unfortunate that in the changes made in the rules during the last couple of years the debate on estimates was removed from this chamber and replaced by opposition days. This has to a degree removed the opportunity for the individual to express an opinion on matters of a specific nature relating to his representation in this chamber. To a degree we have perhaps diluted the importance of this kind of activity in the House of Commons.

We must realize that in attempting to provide a national framework of government for this country we are dealing with one of the most difficult and perhaps one of the most distinctly different countries to govern anywhere in the world. This is partly a matter of our geography but it is also a matter of our history which has exerted various pressures upon us both from outside this continent and from within it.

I think the Speech from the Throne debate may be of particular importance this year. Canadians who take the time and trouble to read *Hansard* or newspaper reports of it may wish to make for themselves some appraisal of the state of the nation. I think, too, it is appropriate that members be given an opportunity to respond after the recent Speech from the Throne and remarks by the party leaders. It is important because these remarks have helped to set the scene for a federal election which all members are aware will take place shortly.

I think that, in a way, the Speech from the Throne was an accurate rendering of the state of mind of this government. It rose to a new high. The kind of high-blown language, the kind of atmospheric phrases to which this

government has been inclined, give some impression and impact of its style, but when examined in some detail, as it has been by the press and members of this House, they are found to be hollow.

Marshall McLuhan, the communications guru of our time, has coined a phrase in regard to television, but I think it could appropriately be used with regard to the Speech from the Throne. He said, "The medium is the message". In other words, Mr. Speaker, it does not really matter what is in the Speech from the Throne—I think that has become pretty clear—but it is how you say it that is all important. There may be some who derive satisfaction from this; those who have been cloistered for years in an arid, academic community or those who like to play with words so much that the meaning behind them or the issues or the people or the circumstances related to them are almost completely unimportant.

Some time ago a documentary film on the Prime Minister (Mr. Trudeau), entitled "The Style is the Man", was shown, I think that sums up what we have seen in the Speech from the Throne, and perhaps in some measure the Prime Minister's remarks in this chamber last week. This was all very attractive and enticing in the years of his accession to leadership and in the election of 1968, but it strikes me, Mr. Speaker, that Canadians who have been buffeted by the winds of economic uncertainty, by the unpredictable and rapid increase in prices and the difficulty of relating their own incomes to them, and those who have become unemployed, have found small comfort in the substance of the style that was being presented to them month by month and year by year. I think we have come to the point, and certaintly many Canadians have long passed it, of realizing that style alone, that efficacy in itself, is not sufficient to meet chronic, long-term economic and social problems.

We have seen very clearly in this kind of ad hoc, patchwork-quilt suggestion contained in the Speech from the Throne or list of bills tabled, that this government which has been in office for four years, and the party for nine, has yet to present to this country a consistent, over-all national economic and social policy. In fact, Mr. Speaker, it has even been reluctant to grapple with these problems in any kind of honest, straightforward way. If there is anything that Members of Parliament should be concerned about in this debate, it is lack of national economic policy. I think that underlies the fears and anxieties felt by all Canadians. The discussion should centre upon possible trade negotiations between Canada and the United States, the actions that might be taken by federal or provincial government with respect to economic policies in regard to foreign investment and foreign control and the Canadian economic enterprise.

• (1730)

Underlying that kind of concern is the open awareness that there is in this country at this time no over-all guiding policy, and that in the discussions initiated by this government with the provinces there has been a less than candid discussion of the basic strategy underlying a national economic policy. It is because there is an absolute and complete lack of national economic policy on the part of the federal government that the party I support and many Canadians ultimately condemn this government.

The Speech from the Throne made last week indicates no new effort or initiative in developing a national policy. In the last few years this government has engaged in ad hoc planning. It has given ad hoc promises and governed by crisis. It has always struck me as strange that this government, which speaks so eloquently on how it has survived crisis after crisis as if it has done something wonderful, should fail to point out something that any clear-minded or reasonably objective examination would reveal, namely, that the government was often the reason and cause for a crisis and that it had created a crisis over issues that in most cases deserved cool and rational consideration. The government simply was not capable of giving such issues cool, open, honest and rational consideration.

I cannot, for the life of me, understand why the Prime Minister, the Minister of Finance or other members of this administration would point out how successfully they have coped with crises that were self-induced. They are engaging in the height of self-illusion. I hope that this delusion extends only to the members of the cabinet and not to the country at large. Whether the crisis was one of inflation, unemployment, or unrest in Quebec, to a greater extent than most of us realized at the time the crisis was government-induced and blame could not be attributed to any other source.

In the economic sphere, and particularly in our relations with the United States, the crisis mentality has been central and must be taken into account in understanding why this government has been so ineffective. Last week the Prime Minister said how effective the cabinet was in dealing with the recent trade and economic crisis involving this country and the United States. Yet it was that very same Prime Minister who felt no sense of responsibility when making the kind of stupid remark that he made in a foreign country. It was the same Prime Minister who, at a university campus several months prior to that, talked about violence and retaliation in the United States and, in general, gave the impression that he was somehow or other not terribly keen to understand the problems of that country or to work in a constructive way with those who had responsibility within the administration of that country.

The Prime Minister, Mr. Speaker, cannot have it both ways. He cannot expect, on the one hand, to fan the flames of misunderstanding and antipathy and, on the other, at the same time take credit for being cool and for dealing with difficulties which have arisen between our country and our southern neighbour. His remarks constitute an elaborate—perhaps they are not so elaborate—cover-up of the basic incompetence and irresponsibility of the government. There is no national plan, national strategy or elaboration of goals. There is no overview of what this country should be doing, where this country should be going and in which areas the government of this country should be providing leadership.

It is incredible to consider that with the large staff of the Prime Minister and the formal and informal think-tanks which have been attached to the Prime Minister's office, there has been so little articulation of what is the long-term direction of the leadership that ought to be and is being provided by this government. One can only assume at this late time that this government is not capa-

ble of providing and is not prepared to provide leadership.

The government wonders why it has not had a good relationship with the business community of this country. It wonders why it has had so many conflicts with the trade union movement—more, perhaps, than any government preceding it. It wonders why it is experiencing difficulty in getting along with the provinces. It need not look far for the answers, for we are being led by a man who believes, not in consultation and negotiation but in confrontation, who believes that the only effective way to deal with other sources of powers, whether they are in unions, in business or in the provinces, is to confront them, perhaps even ultimately in some kind of insulting fashion. Is that the way to exercise constructive national leadership in a country with so many different regional and provincial variations and distinctions?

In the 100 years or so that this land has been a nation, prime ministers and others have discovered that Canada is not an easy land to govern. They have discovered that only by conciliation, compromise, only by listening as well as by talking, only by building rather than tearing down, can the fabric of this nation be continued. The example of the last four years is not one that will hearten historians and show them how this country can be most effectively led.

Putting faith in a government that shows clearly it does know where it is going, that it is hardly aware where it has been, that it is not aware at present of what it is doing and really has no plan for the future, is putting faith in a government that governs by drifting. I believe Canadians are too intelligent, too well informed and too sophisticated to have faith any longer in that kind of government. The time has long gone when Canadians, for the sake of style, for the sake of novelty and because of titillations in the afternoon press, will support this kind of government as being one that is best in the national interest.

Perhaps nothing is more important to this country than our relations with the United States. Obviously, the clichés already uttered in this debate about our proximity to the United States and the intimacy of the relations between our two countries will continue to be uttered. It would take, not a volume but a whole library to catalogue effectively the indirect and complex relationships existing between us. It is altogether obvious that we cannot continue fostering this ongoing relationship in a crude and offhanded manner, or with simplistic statements, without doing great harm to the fabric of our relationship.

It was regrettable that the Prime Minister of this country, having decided that he should talk face to face with President Nixon, should have spoken on returning from that visit in glowing terms of the fantastic new breakthrough in understanding. How naïve must a Canadian be who can believe that because of a comment or a spontaneous reaction, a multitude of questions, issues and problems have been resolved effectively. Now, a few weeks later, we seem to be at the other end of the spectrum completely. The suggestion is that in fact the relationship between our two countries has reached a new low and trade talks have come to an almost total impasse.

[Mr. MacDonald (Egmont).]

• (1740)

In its kind of stop-and-go policy, the government suggests in one instance that it is preparing, as it says it has been for months if not for years, policies with regard to domestic control of the Canadian economic environment, or some such term as that, while at the same time the Secretary of State for External Affairs (Mr. Sharp) says that we will not do anything to prejudice or offend our relationship with the United States and, indeed, in terms of trade concessions we are prepared to make many more than we have already made.

What kind of games are being played with our economic situation, both in the present and future sense? What kind of childsplay is this, where we can have this kind of suggestion in one quarter that nothing or less than nothing is going to be done, while in another quarter all kinds of things may be done with respect to national economic control? What is even more disturbing is that we do not know who is making the decision. Is it the same people who decided that in order to deal with inflation we could have a little slack and have a few hundred thousand people thrown out of work? Are these the people who are preparing some new kind of national economic policy, or are they the people who agreed with the Prime Minister's assessment in December that there had been a fantastic, new breakthrough?

Questions about the establishment of a framework for domestic control of the economy are just too important to be left in the hands of a small group of advisers, either in the Prime Minister's office or anywhere else. There are too many issues at stake, some of them much too important for the people of this country to believe that they can be developed in isolation.

It is rather interesting, and perhaps it is more than a little revealing of the true nature of this government that they referred in the Speech from the Throne to the isolation that Canadians feel. I cannot help but think it is some kind of Freudian slip, that in a sense it was not so much Canadians out there that this government was thinking of, but perhaps those who have laboured long hours in the east block, locked away from the reality of this country, manufacturing to suit their own purposes. They have indeed become increasingly frustrated about the isolation they have felt from this country.

Surely, those who for months and years have attempted to convey to this government their concern about rising unemployment, rising effective costs, those living on fixed incomes and those who have tried to communicate on the great social issues of our age have learned something about the isolation of this government. It is perhaps a paradox that never has there been such a large number of advisers and reflectors, and presumably some who have been listeners to the Prime Minister, and never has there been so little heard of what is actually happening in this country. At times the sense of isolation has appeared almost overwhelming. Frankly, it becomes terrifying when one thinks of this isolation in relation to basic decisions that will be made vis-à-vis our relationship with the United States and our decisions with regard to the domestic control of the economic environment.

If, indeed, that spirit of isolation exists, as it very much seems to exist at the present time, what follies are about

to be perpetrated upon us in the name of some kind of national economic policy? What kind of misguided direction are we going to receive? When, if the government finally tells us it has made up its mind, will we hear about the whole question of foreign ownership? I shudder to think about that. I can visualize ten provincial premiers, assorted business and labour leaders and many others shuddering in this same regard.

We know only too well that this country is just too complex and too varied in its needs and possibilities to believe that one or even a few people in their isolated place in the east block are capable of producing the sort of policies to give vital and viable direction to the economic life of this country. We just do not believe it is possible. In fact, we know that kind of leadership can do very grave damage to the delicate economic fabric of this country. We know how delicate the economic life of this country is because of very high unemployment at the present time and the recurrence of inflation.

It is our belief that important and basic economic policies of this kind require open and frank consultation in many areas. Obviously, there has to be consultation with the provinces. We have the almost ludicrous situation where the province of Ontario, the largest and the wealthiest of the provinces, published its own document with regard to its concern about the heavy inroads of foreign investment. When questions are raised in the House— and I raised such questions with the Prime Minister before Christmas—as to which way this material is to be utilized or whether there is any action being taken with those in the province of Ontario, there is really no response.

What about the provinces in western Canada which have a tremendous interest at stake in the development, in various aspects, of the basic resources of this country? It is important for them to participate directly in the elaboration of any policy. In my own area, the Atlantic provinces, which for almost three-quarters of a century have languished in a situation of chronic underutilization of the economy, it is important for them to believe that any national policy must be sufficiently varied and tailored so as to deal realistically with the problem of regional disparity in that area. However, there seems to be almost no awareness or concern about these kinds of basic questions.

Beyond the provinces, there are those who have responsibility in management, labour and major municipalities in respect of decisive action that could be taken which would very much prejudice their own health and viability. Again, there is no openness or consultation, only a process of confrontation leading finally to isolation. That kind of style or method of dealing with these basic problems can only lead this country into a deeper morass of economic and social difficulty. It will do little good for the government to tell us a year or six months from now that they have been able effectively to deal with the latest crisis that has in effect been directly manufactured by them.

The time has come for Canadians to say to this government that we must put an end to government that seeks to rule, not by participation as was so grandly talked about three or four years ago, but by the lights of its own desires and failure to recognize the importance that Canadians, those represented in other groups and at other political levels, have a right to be represented in decision-making that makes all Canadians accountable and responsible or effective government in this country.

Some hon. Members: Hear, hear!

Mr. Jerry Pringle (Fraser Valley East): Mr. Speaker, I, too, join my colleagues in all parts of the House in congratulating the hon. members who proposed and seconded the motion for acceptance of the Speech from the Throne which is under debate at the present time. I realize that this debate gives us an opportunity to discuss some of our parochial problems as well as to make suggestions with regard to what some members of the House of Commons, especially those on the opposite side, have said and with which we do not entirely agree.

I was rather shocked this afternoon to hear the hon. member for Mackenzie (Mr. Korchinski) discuss the bills relating to agriculture. I have been associated with this industry for many years. I honestly feel we have made more headway in developing governmental legislative assistance to Canadian agriculture than any other Parliament. We have finally succeeded in passing one of the most essential bills to assist farmers, Bill C-176, the National Marketing Act.

Unquestionably, the farming community has developed a great deal of efficiency. Through technological advancement, hard work and training we have been able to take advantage of the well educated young people who have worked in the farming industry, both in production and in secondary industry. They have been able to produce in great volume—as a matter of fact, in excess volume—but the problem that has been hounding the agricultural industry for years, more so now than ever before, is that of marketing the product.

• (1750)

The marketing of food has been based on the quantity available, rather than on a reasonable price related to the cost of production. As a result of the passage of Bill C-176, enabling legislation is now available to the farming community. They can now establish marketing agencies to act in conjunction with advisory committees and with the co-operation of secondary industry, known as "the trade", consumer associations and distributors, they will be able to provide food for Canadians as cheaply as ever before, I am convinced—food at lower cost as a result of stability in the farming industry.

I was personally delighted to hear the announcement by the Minister of Manpower and Immigration (Mr. Lang) that there is to be a two-price system for wheat in Canada. This has been recommended from time to time; it has been discussed fully and I am convinced that when the program has been established and the regulations respecting the method of payment have been worked out, it will prove of great assistance to the prairie grain farmer. I might add that the Prairie grain farmer was fortunate enough to sell more grain last year than in any other year in our history.

Here, I should like to refer to the price, and to the criticism which is often directed to the level of the price received for Canadian grain. Canada exports 75 per cent of its grain and sells about 25 per cent domestically.

Surely no one would suggest that we are in a position to set a world grain price. Surely we know more about merchandising than that. After all, we are competing with countries which have greater access to markets by virtue of the tremendous volume and diversity of their total production—I have in mind our good friends to the south—as well as with countries such as France and developing areas whose technology we have assisted. In fact we have turned some of our customers into competitors.

I agree, though, that the price is low and I am hopeful we shall find means of persuading our grain trading partners to return to a world grain price arrangement. This subject was touched upon during our meetings with United States legislators this past weekend. I am convinced our views were received with a good deal of sympathy. It was stated on more than one occasion that such a move would be of assistance to the grain industry throughout the world. So there is hope that we shall be able to bring this about.

We shall not, I hope, get back into a heavy surplus position. On the other hand, I trust that, especially upon the advent of the two-price wheat system, we shall not neglect to establish inventories which will enable us to carry our share of the load when it comes to the distribution of grain on a world wide basis.

May I call it six o'clock, Mr. Speaker?

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Pringle: Mr. Speaker, when the House recessed at six o'clock I was discussing problems relating to the sale of grain and was suggesting that we control our inventory in Canada to the point that, while we would be able to export grain in similar fashion to sales in the current crop year, we would not expect wheat suddenly to become a product in excessive demand by virtue of our two-price system.

If I may, I should like to congratulate the Minister of Agriculture (Mr. Olson) for the attention he has paid many aspects of the agricultural industry. For example, the Farm Credit Corporation has expanded its loan ceiling and we can expect further amendments to the Farm Credit Corporation Act this year.

I believe, as most members on this side of the House believe, that planned production along with market research is of utmost importance. In order to plan our production and establish realistic inventories we must make sure that we know what the demand for our products is likely to be. A lot is said about production in this country. People say we should not export our resource materials but export only secondary products, products that have been processed in Canada. But very little do I hear about market availability. Industry or business must not only be able to produce but must be able to market that which it produces.

It is true that we have been dependent to a degree on industrialists from south of the border with their 220 million domestic customers. Although Canada adds another 20 million customers, when you take into consideration the unit cost of production, 20 million people do not really amount to much when it comes to establishing plants in Canada simply to serve the domestic market. We know these people are experienced in business and that they invested their high-risk capital in Canada. This high-risk capital is within the jurisdiction of Canadian law, but at the corporate level business can be influenced to a degree by other legislation, such as the Trading with the Enemy Act, the provisions of which I understand are practically non-operable at the present time.

I suggest that in light of the travelling being undertaken of late by the President of the United States, the missions that are being sent to Communist countries which up to now have been considered enemies, and when we realize the large sale of agricultural products to Russia amounting to $130 million or so in return for a rather large plant, Canadians must scrutinize capital investment rather carefully and discerningly. There is nothing in the world to stop my hon. friends in the New Democratic Party setting up secondary manufacturing plants in Canada tomorrow. Certainly there is no law against it. If they can find the markets and can exploit them to the point where they can compete with those who already have those markets and have established subsidiaries in Canada, then that is fine.

A few years ago we tried to establish in the beautiful Fraser Valley of British Columbia a plant for convenience foods. We could not find enough money locally because of the fact that it was really a risk proposition, although there were offers made from large food corporations in the United States. Here, again, we have been discussing these problems with our United States friends over the weekend. We have been discussing with them their inflow of capital. We have suggested that their balance of trade must be balanced out with a consideration relating to capital, and that if we are to be required to send our dividends and interest across the border then we must have consideration in trade. But we have to take into consideration what one of the senators said, that it is very difficult to have it both ways. As another senator said in the deliberations, if we do not want their plants, do not want jobs for our workers or do not want to take advantage of the markets they have for our products, then we should simply say so and they would be glad to expand their own.

In relation to these enterprises I would say we seem to consider profit in some areas as a kind of dirty word. It was suggested by the previous leader of the NDP that profits are not the answer and that all they do is pay for automation. But profits represent risk capital, and I submit that any profits as surplus funds represent risk capital and that jobs come from people willing to risk this capital. Unless we are prepared to risk it and to be certain that our industry has sufficient profit to risk, then we will not have the jobs that are required. I believe the employment picture is one of the most important aspects we must consider at the present time.

I should also like to thank the many cabinet ministers who have gone into the riding of Fraser Valley East as requested by the Chambers of Commerce, the various service clubs, the agricultural organizations, the brokers and other people interested in finance. I have been very fortunate in receiving great assistance from at least seven cabinet ministers. Not long ago we were fortunate to have the Minister of Consumer and Corporate Affairs spend

two hours of radio time to discuss the Competition Act with the people of Fraser Valley East. The response was excellent.

I have considered, rightly or wrongly, that my purpose in this House of Commons is not only to rise on a night when the Speech from the Throne is under debate to speak politics to my constituents; I believe I represent them in this arena, that I represent them in Ottawa in the House of Commons and in the government. I should also like to pay tribute to people in the public service who have assisted us with problems, who have explained situations and who have helped very much in respect of some of the problems relating to the constituents of Fraser Valley East.

But this is a two-way street. While I firmly believe I represent my constituents here in the House of Commons, I also believe I have a duty to represent the government of Canada in my constituency. I believe this is what we should do, and it certainly is what I would like to do. We are now facing the possibility of another election. I firmly believe the people of Fraser Valley East are able to search through the information given to them. The information they receive from the media, I am sorry to say, has not always been that which I would consider to be enough. I would consider the priority, perhaps, has been on views rather than news. As a matter of fact—I know it is a risky statement to make, but I am prepared to make it—I believe we should endeavour, if we can, to supply more information to the members of the press gallery so they might understand the entire workings of the House of Commons and would not state that the number of times a member rises from his seat in the House of Commons is the important thing. Perhaps they should attend some of the committee meetings day after day.

I would be happy to invite someone to come to my office at nine o'clock in the morning, stay with me until eleven o'clock at night and come back on Saturday. I would like them to hear the telephone conversations I have with people in my constituency. I would like them to know the number of telephone calls I have had today about railroad tracks in Hope, B.C., about the harbour bill and all the other problems. I do not want to be known in my constituency and in the House of Commons simply because I made the "spoonerism" of the year. I would like them to know, through the media, those things I do in an effort to help the constituency because we do spend about 60 or 70 hours a week in these buildings; we spend the time here doing our job.

We speak on subjects on which we want to speak and on which we feel we might supply some input. It should be taken into consideration that we have already spoken many times in caucus and committees and have done our best to influence various pieces of legislation according to what we deem to be the desires of the majority of our constituents. So I have never been able to quite understand the view held by some people, although I admit this is my first term of office here.

In closing, I should like again to thank the members of the House of Commons for the association I have had with them over the years. I feel our committees, regardless of what has been said, are highly successful. In committee, members have an opportunity to go into a matter in much greater depth than in the House of Commons. I believe when we look at all the bills which we have passed, and look at what has been done for the good of Canadians, the Canadian people will realize that our Prime Minister (Mr. Trudeau) is probably one of the greatest prime ministers we have ever had. He has been courageous in his statements and there is no doubt that we mean business, for the benefit of the Canadian people, and I am sure we will receive their support.

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, commentators on the Speech from the Throne have described it in various ways. Some have declared it to be half froth and the rest pink lemonade and purple platitudes. Certainly, it is a speech which can give satisfaction only to the affluent, to those comfortable enough not to have to worry about government help; and their number is diminishing daily. For any real indication of government policy in this election year we had to await the speech of the Prime Minister (Mr. Trudeau). It proved to be a really clever production.

Ever since the dawn of history, kings and presidents, unwilling to face up to difficult situations at home, have sought to divert people's attention elsewhere. Our local emperor is no exception. Realizing that his government has failed to deal with the serious problems of people in sector after sector in this country, the Prime Minister soared above all domestic matters and assumed the heroic posture of Horatius on the International Bridge, prepared to defend Canada against the whole might of the United States, not crudely, mind you, but without—to use his own words—"fantasies of either frightened timidity or false bravado". We shall see. The posture is heroic but it is no substitude for legislation to prevent further foreign takeovers of our resources and our industries.

While we admire the dramatic ability of our modern Horatius, we shall have to await solid legislation from this government. The Prime Minister in his speech indulged in another diversionary exercise, one which we may expect to see employed over and over again during the coming months. Against the uncertain and perplexing background of our time he indicated, with a few masterly strokes, the unrest, disturbances and dire emergencies faced by other countries. Turning quickly to Canada, he found our solutions in most cases "very satisfactory". He mentioned the free access of exporters to world markets, the favourable investment picture in foreign securities, the close ties of our two North American economies. In short, God is in his North American heaven and all is right with Canada.

All this was a build-up for his approach to unemployment. Indeed, he prefers to deal with employment rather than to have to deal with the distasteful issue of joblessness. He informs us that between 1965 and 1970 over one million new jobs were created in Canada; this figure was greater than the combined number of new jobs created in Belgium, France, Germany, Italy, the Netherlands, Sweden and the United Kingdom. What this has to do with his government's record in Canada, I fail to see, but I can see that it is an attempt to draw attention away to far off fields rather than to leave it on the bleak record at home.

He says that more than 200,000 new jobs were created in Canada in 1971. What he fails to say is that 665,000 Canadians were out of work in January, 1972, and that the

seasonally adjusted rate for January, 1972, was the same as that for January, 1971, and that almost 30 per cent—28.8 per cent, to be exact—of the total population of Canada belongs to a family in which at least one member could not find a job in 1971 or lost it in that year. And he fails to say that the Economic Council has warned that nearly 1 million new jobs must be found by 1975 if unemployment is to be brought below 4 per cent. In face of this situation, 200,000 jobs in 1971 looks like a very small number, very small potatoes, and certainly nothing to get complacent about.

What unemployment means in human terms cannot be fully understood, of course, except by those who have undergone the shock, fear and indignity of unemployment. Of the many tragic cases brought to my attention during the recent parliamentary recess, one stands out most clearly in my mind. It is that of a young man of 28 whom I have known for some years and who has tried persistently and unavailingly to get work. He has had to accept social assistance, with the stigma that it entails, particularly for the single, able bodied young person. He telephoned me one February morning to say that he had now been classified as an employable unemployed person. This meant that his clothing allowance was cut off, he no longer had access to medical help or prescription drugs, his teeth would not be given the attention they badly needed, and he was now receiving a straight $90 a month in social assistance, the great bulk of which must go for rent. What was he to do? He just could not get work. With food and clothing prices going up all the time, how could he live? In quiet despair he added, "It's pretty tough to have this happen when you are doing all you can to lead a decent life."

• (2020)

[*Translation*]

Mr. Speaker, we run into the despair of this young man in the large cities, the small villages as well as the rural homes across Canada.

When young people do not have the opportunity to work, their whole future suffers. When they have to sit around, day after day, month after month, year after year, not doing anything to use their talents, to earn their bread and participate in the life of their country, can anyone wonder that they end up despairing, taking drugs or revolting.

[*English*]

Instead of boasting of all the new jobs his government has created, the Prime Minister would do well to consider the deep desperation of the 30 per cent of Canadians belonging to families afflicted by the cancer of unemployment during this past year. If this government knew or cared about this suffering, they would realize the absolute necessity of creating an income floor, a guaranteed income below which no Canadian would be allowed to fall, and it would not be a measure of doubletalk where a means test is dignified by the title of "guaranteed income." What we need is a genuine guaranteed income coupled with a genuine guaranteed opportunity for useful work.

Guaranteed income, guaranteed work, these are the Siamese twins that should be separated only when people are too old, too ill or too handicapped for useful activity. The overwhelming majority of people want to pull their own weight, to stand on their own feet as long as they are able to do so. You have only to refer to the recent statements of the Minister of National Health and Welfare (Mr. Munro), or of the Senate Committee on Poverty in order to confirm this statement. Let the government give them this opportunity, and let the government not say that it is impossible to provide a guaranteed income.

Realizing, at least in some measure, the danger of allowing a whole generation of young folk to rust and rot in enforced idleness, the government last summer—and now I will give the government a bouquet—created something useful, the Opportunities for Youth program. Of course there were mistakes, of course there were foolish projects funded, but for the first time of which I am aware the government deliberately decided to fund people who needed funding as a group to enable them to carry out imaginative projects which would help the community and develop them at the same time. Instead of giving all the funding to conventional business enterprises, this government took a chance and gave a relatively modest share to help young people develop themselves.

I am glad to say that I think this experiment has paid off, and I believe that the local initiatives program will be even more successful. So far so good. However, these programs are far too hit-and-miss in their character. They need to be accompanied by long-range planning to ensure that they mesh into the needs and the other activities of the community. For example, there is not too much use in funding people to carry out renovations when the percentage of money for materials with which to do it is so low. To my knowledge, only the government of Saskatchewan has sought to overcome this deficiency on Ottawa's part. It has provided and is providing grants for materials for the local initiatives programs as a means of making sure that they can be carried through to fruition.

Some hon. Members: Hear, hear!

Mrs. MacInnis: This is not the first time that Saskatchewan has pioneered something which the federal government later has taken up as being something which at least should be adopted, although in nearly all cases it is too little and too late when it does adopt them. Long-range planning cannot be carried out exclusively by the mandarins of Ottawa but most involve all levels of government and all levels of voluntary groups concerned.

• (2030)

The planning from Ottawa results in a procrustean situation, with the computer in the role of Procrustes. When the traveller is too long for the bed of Procrustes, a suitable length of his legs is chopped off, and if he is too short, his limbs are stretched to fit the bed, without any warning about folding, stapling or mutilating! In other words, people are made to conform to the demands of the computer rather than the other way around. If anything were necessary to prove that to the hilt, it is the delays, the mistakes and the fouling-up of the unemployment insurance payments that have been made with Ottawa in control of so much of the machinery. Good planning must take the particular needs of the people concerned into

consideration, and the only way to learn of those needs is to consult the people concerned.

It seems to me to be far more useful to get down to cases in this manner than trying to make the most of a bad job by diverting attention away from it as the Prime Minister did or by trumpeting as the mover of the Address in Reply to the Speech from the Throne did when he declared:

> Without any doubt I can say here this afternoon that the senior citizens of Canada have the benefit of the just society promised by our government—

The senior citizens do not believe it and I fail to see how the hon. member for Bruce (Mr. Whicher) could take himself seriously at that point, anxious as he was to protect the government even to the extent of leaning over backward and losing his balance.

Long-range planning is needed in many directions after these years of allowing and encouraging private business to produce anything that will sell for a profit and leaving all the other needs of the community so badly neglected. For example, owing to the fact that in my own city of Vancouver real estate interests have always been so heavily over-represented on the city council—indeed, I am tempted to believe we have a real estate lobby where the city council should be—we have got into a bad mess with our transportation needs. I was glad to note that the new Minister for Urban Affairs (Mr. Basford) had stated that the federal government had decided to kill present plans for the Four Seasons complex which menaces the entrance to Stanley Park and which would cause 40 per cent more traffic congestion at a spot already badly overcrowded and overpolluted. I certainly hope this complex stays dead. I have seen too many resurrections, where property owners are concerned, to be sure of it until the minister can show us that a proper burial has taken place, with a proper ceremony over the remains.

At the moment, another menace to the well-being of the community is apparently receiving the blessing of the Minister of the Environment (Mr. Davis). I hope it is only apparent. I refer to the proposed third crossing to the North Shore. Concerned citizens are just becoming aroused to the fact that, whether bridge or tunnel, this crossing would be just the first link in a new chain of freeways which would segment many neighbourhoods in our city, result in multiplying pollution, noise, traffic congestion and all the other disamenities and dangers we have noticed in big cities.

Mr. Benjamin: Is he a hamburger?

Mrs. MacInnis: It doesn't necessarily take a hamburger to recognize that danger. Larger numbers of people are becoming convinced that our problem today is one of moving people rather than cars. We would like to see that sum of $123 million, which we understand has been promised by the federal government, go to helping establish a system of rapid transit which would get people around more quickly and efficiently than the proposed tunnel and bridge which would provide transit for too many cars with a single occupant. As a car owner, I would be happy to see parking facilities provided around the rim of the city and rapid transit operating in the core. Only in this way could rapid transit pay its way. If private vehicles insisted on circulating downtown, there are many ways in which they could be made to pay extra for this special privilege. In any case, I would hope that Ottawa would be willing to make the promised money available for whatever mode of transport the city council decided was the best. And I would hope that, after its long spell of dithering, the city council would soon take a long-range look at the real transportation needs of the Vancouver of the future.

I was glad to see that the Speech from the Throne included two sentences, the first as to the desirability of policies to ensure the long overdue equality of women in Canadian society, and the second stating that these policies would be announced this session. As I say, I was glad to note these two sentences. However, I feel sure that along with myself, other Canadian women would have been happier with the definite announcement of proposed legislation such as an amendment to the Adult Occupational Training Act to include women who had for three years been engaged in the work of their own homes, an amendment to the Canada Pension Act to include the spouse of a contributor, legislation to further child-care centres, or any one of the many other definite measures essential to secure the equality of women and hence the greater liberation of both sexes.

A definite measure announced in the Speech from the Throne was the raising of loan limits under the Canada Student Loans Act, permitting students to borrow more within a given year. This is a good provision. But an even more necessary one would have been an amendment permitting students who have finished their courses to defer repayment of their loans until they can find employment. The present exercise of trying to squeeze blood from a stone is exceedingly painful to the unemployed person, as I trust it will be to the sensibilities of the new Minister of Finance (Mr. Turner). I might say that some of the most pathetic cases brought to my attention were those of people who had borrowed in order to get this university training, and at the end of the period had looked in vain for work and were now faced with the repayment of loans and no means whatsoever with which to make the repayment.

We now have also a new Minister of Consumer and Corporate Affairs (Mr. Andras). Because the Prices and Incomes Commission, set up in 1969, has cost about $4 million to date and is the second most expensive commission we have had, I would suggest that an early priority for the minister would be to determine its role for the four months of its life that remain. It was set up to fight inflation. Instead, it used its resources to fight the labour unions. Meanwhile, the November-December price index went higher than in any November-December period for the last ten years. The consumer price index for December, 1971, stood 5 per cent higher than for December, 1970. It is still going up.

I would also suggest to the new Minister of Consumer and Corporate Affairs that he pick up an early piece of the unfinished business of his predecessor and try to get his Prices and Incomes Commission to study and report on methods of helping low-income consumers cope with the rising cost of living. And he might embark on a study of how to devise price controls that would include all sectors of the community and not merely endeavour to make a scapegoat of one—the labour unions in this case.

There are many useful things to which the new Minister of Consumer and Corporate Affairs could turn his attention. One is to find ways of helping people on low fixed incomes and pensions to get enough food in order to keep themselves at a decent standard of nutrition. This is a real problem. I am by no means opposed to sending food to people in depressed and underdeveloped countries or to famine-ravaged countries, but I would put in a plea that the minister find some way of dealing with the undernourished, elderly people who fill the garrets and basements of our cities and have to exist on tea, toast and catfood in far too many cases.

• (2040)

An hon. Member: Come on!

Mrs. MacInnis: I am coming on, and I will not be turned off by that sort of remark. Our elderly people are existing on far, far less than is necessary for keeping body and soul together in a modern way, with a modern standard. Because they are elderly and defenceless, they are suffering.

• (2040)

[*Translation*]

Mr. Speaker, I have pointed out some of the most serious problems our citizens are now facing. There are many others, I assure you, such as housing, manpower, day-care centres for the children of mothers working outside the home, the problems of pollution, of protection of the environment, of birth control. The complete list would be endless.

Those who have an adequate income can perhaps solve such problems or evade them. But individuals and families with low incomes or even medium incomes are trapped in poverty they cannot escape without this government's assistance.

I therefore suggest that neither the Prime Minister nor his government are entitled to look the other way or turn a deaf ear to the plight of those who are soliciting their support. It is all very well to speak of the deplorable conditions that exist in all the other countries of the world, but it is no excuse for not taking steps to improve the lot of the Canadian people. This government requested the right to formulate a policy for the well-being of all Canadian citizens. It was given that right. It must not now shirk its responsibility.

[*English*]

Today, Mr. Speaker, I have been outspoken in my criticism of the government's sins of omission. I can assure you that every bit of this criticism is based on the many personal interviews, telephone calls and letters that I have had with my constituents and many others across Canada during recent weeks and months. To me, there is something completely irrational and shameful about complacently boasting of our natural resources, our technology and our increasing gross national product, as well as our great exploits of the past few months, while at the same time we allow one Canadian in five to remain below the poverty level where he, and she, must watch his children caught in the same trap of poverty and be condemned, in turn, to rust and rot in idleness while the affluent condemn them as bums and loafers. It is all wrong and completely unnecessary.

But the price of changing it is one which this government is not prepared to pay. The price of change is to refuse resolutely to yield to pressures from the big business community, and legislate in the interests of the whole population. The government must give top priority to that part of the population which needs help most. This government refused to do that and still refuses to. Indeed, it goes out of its way to mention that it wants more co-operative and fruitful relations with the industrial community, as though that were the place where the need is greatest. For that reason, this government has forfeited its right to govern a democracy, no matter what fine phrases it uses to disguise the fact of its failure. I feel sure, and I hope I am correct, that the Canadian people have just about got to the end of their patience and their gullibility when it comes to being taken in by any combination of fine phrases, beautiful slogans, charisma, or any of those means used for diverting attention away from the fact that the government has not been meeting the people's needs through legislation and has no intention of doing so.

For that reason, Mr. Speaker, I say that the Canadian people have come slowly but surely to the opinion, held with certainty, that this government has forfeited its right to govern this democracy which we still have, thank goodness, in Canada.

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I wish to join the many members who have expressed congratulations to the mover and seconder of the Address in Reply to the Speech from the Throne.

An hon. Member: Why?

Mr. Olson: If I were to explain why, Mr. Speaker, it would probably take me most of my 40 minutes. They were both excellent speeches.

Mr. Knowles (Winnipeg North Centre): I thought the minister had only 30 minutes.

Mr. Olson: I suppose that the debate on the Speech from the Throne should be the time for us to review and outline the major thrusts for the future in the particular subject area we want to deal with. Of course, I want to talk about agriculture. Only a few days ago we finally put into effect the marketing legislation that the majority of the farmers of this country, through their representatives, have been asking for ever since I have been a member of this House, and even before that. That legislation is exactly what I said it would be and what the members on this side said it would be when we introduced Bill C-176. It is enabling legislation. It is on the statute books now, and the majority of producers of any farm commodity may use it if they wish. Neither this government nor, indeed, anyone associated with this party, intends to try to move this matter at a more rapid pace than the producers wish.

I know that farm organizations, and particularly commodity groups, have been anxious for some time to avail themselves of the provisions of this bill, and they are now in the position where they can set up modern marketing structures by using the legal structure that legislation provides. I wish to advise those members of the House

who do not already know, that that bill was proclaimed a few days ago.

I also want to say a few words about the small farms development program. As I said at the outset, this is the time for us to deal briefly with what has happened during the past 12 months with respect to a number of agricultural commodities, to outline what the future holds, as one can see it today, and to outline our major thrust in developing and progressing with the programs that are now under way.

Let me say a few words briefly about grain, in the first place, because grain is certainly one of the largest, if not the largest, commodities in Canadian agriculture today. I will not review statistics because members of this House and, of course, farmers in western Canada generally know that in the last crop year we established an all-time record, with sales of 700 million bushels of grain. To date this year our sales have been even greater than that.

Mr. Benjamin: But the farmers are still poor.

Mr. Olson: I find it rather strange that those who criticize the government and those who participated in today's question period do not understand that when you have an extraordinarily large snowfall day after day and week after week in the mountains, grain deliveries going through that part of the transport system will obviously be slowed down.

Mr. Benjamin: Where was the minister last fall?

Mr. Olson: That is what happened. Some members of the opposition tried to find some way of showing that this was the government's fault. They tried to suggest that the government was to blame because five feet of snow per week fell for some weeks in the highest reaches of the Rocky Mountains.

Mr. Benjamin: Nobody is blaming the government for that.

Mr. Olson: The hon. member for Regina-Lake Centre (Mr. Benjamin) must know, because of his background, that with that kind of snowfall as much as 50 per cent of rail traffic is curtailed. There were several days when no trains were running at all. Not only that, Mr. Speaker, but after the snowfalls and the tracks have been cleared it is weeks before you get back to full efficiency. Even after a small storm, snowfall or wind, there are tremendous snowdrifts. That slows everything down tremendously. In the past few days I have been very pleased with the full co-operation of the people involved in that sector of the transportation industry. They have been able to move as much as 800, and sometimes over 800 carloads in a day. We should commend those people in that part of the transportation industry for a great effort.

• (2050)

Some hon. Members: Hear, hear!

Mr. Olson: They are certainly working under a great handicap at this time.

The Acting Speaker (Mr. Laniel): Order, please. Is the hon. member rising on a point of order or for the purpose of asking a question?

Mr. Downey: I was wondering if the minister would allow a question at this point.

The Acting Speaker (Mr. Laniel): The hon. member knows he can ask a question only if the minister is willing to answer.

Mr. Olson: I would be very happy to answer a question.

Mr. Downey: Can the minister state whether the government's policy has changed in any respect as to the matter of keeping permanent storage facilities full of grain? What is happening to those? Has there been any change in the government's attitude with regard to this situation?

Mr. Olson: There are some other matters involved, Mr. Speaker. Cost factors get into this situation. There is also the question of the maximum beneficial use of the transportation equipment that is available. Surely the hon. member would not suggest that we change the policy and keep any grain in terminals on the west coast when we have an opportunity to load it on ships. As far as the inland terminals are concerned, when there is a maximum requirement we must have as much equipment as possible to move that grain into export position. What is the purpose of holding it in the inland terminals if there is a limitation of facilities, including equipment?

If the time comes, and I am pretty sure it is not going to come until the end of this crop year, when we have additional equipment and transportation facilities with which we can take grain into the inland terminals, clean it to export standards so it will be available, that is one consideration. Even that is not the most beneficial use of all that equipment at this time. As has been pointed out, we need all the grain that we can get to the west coast immediately, because the stocks there are very, very seriously depleted. When we take this into account, we have to remember there is an additional cost of bringing grain into the inland terminals, unloading it and then loading it again. When you have room, both in so far as storage is concerned and capacity for cleaning at the elevators that are in export position, you first use that to the maximum. If there is any capacity left, that is when you bring it into the inland terminals.

There is one point that could be made with respect to farm deliveries at terminals. There is also an opportunity for farmers to deliver to a grain company account at some of the inland terminals if they choose to do so.

An hon. Member: Peanuts.

Mr. Olson: It might be peanuts, but the grain that comes from that distance also involves some additional cost to the farmer if it gets past 25, 30 miles or up to 50 miles. I certainly would not advocate diverting carloads of grain to inland terminals that can be used immediately on the west coast. That is not the most beneficial use of that equipment and grain at this time.

I certainly hope that the kind of climatic conditions we need to maximize the movement of grain over the mountains and into and through those terminals will be with us. If so, from the performance we have seen in the past few days, it will not be very long, probably in the next three to four weeks, before we catch up with all the commitments we have made. If the weather improves from now on, this

can be done in spite of the bad weather we have had. I do not think there is anything the government or anyone involved in the grain trade can do about that situation. We are satisfied that a maximum effort is being made by everyone involved. If the weather conditions do turn reasonably favourable, based on the projected sales that have been made we are again going to break the record for the six major grains that are sold out of the Prairies. the farmers of western Canada can look forward to with some satisfaction and optimism.

One point that ought to be made at this time is that while we have been moving very much larger volumes for somewhat over a year now, there has not been a satisfactory upward movement in the price of these grains in the international market. Everyone acknowledges that is so. People also realize that when you are trying to sell against a very large inventory, it is very difficult to get the price up. That has been with us for as long as men have been trading. That is not something over which we have complete control in Canada. We have to compete with other nations in the international market.

I hope we have now relieved the pressure of these huge inventories or surpluses, whichever you choose to call them, to the point where we can now start to discuss with our customers and, more particularly, our competitors from exporting countries, that prices ought to start moving up a little. It is not fair to say they have not moved up at all, because they have moved up some. I am the first to agree they have not kept pace with increased costs. Indeed, prices have not moved up as high as they were during the last period when we had sales opportunities far in excess of our ability to supply them, because of the situation in the international market. I am sure hon. members will agree there is a degree of optimism with these inventories having been run down somewhat.

• (2100)

I think it is also fair to say that they can look forward, at least to the end of this crop year and perhaps quite a long way beyond that, to very strong markets as far as volume is concerned. It is also reasonable to recall that in spite of all the criticism directed at the government with respect to the Lift program, this program has proved to be a major factor responsible for the more satisfactory situation evident today. Had we continued to produce without providing farmers with some relief against surpluses, this substantially improved situation could not have been expected.

An hon. Member: Have you read the *Globe and Mail*?

Mr. Olson: Those hon. members who are interrupting will have to speak loud enough for me to hear them, or they might as well not interrupt at all.

I wish to deal now with another major commodity in the agricultural sector, dairy products. I believe it is fair to say that almost every dairy farmer in Canada will agree that in no time in the last 20 years has there been such an improvement in the industry as took place in 1971. In retrospect, we have to ask ourselves why. The reason is that the government had the courage to take certain steps, notwithstanding their unpopularity at the moment, which it was necessary to take in order to produce a situation of the kind we are experiencing today.

[Mr. Olson.]

Canada did not do all this by herself. Other countries were concerned, including such large producers of dairy products as the countries within the European Economic Community, New Zealand and Australia. They, too, were faced with enormous surpluses of dairy products on hand. We took action to place that part of the dairy industry which sells through the industrial milk marketing sector in a position where it could call upon the kind of legal structures and administration, at least in Ontario and Quebec, to get this situation under control. There were some cutbacks. They were not large. The fact of the matter is that there was not a very large overproduction month by month; the difficulty was the presence of these enormous supplies of skimmed milk powder and cheese on hand. As long as we were going along adding even 3 per cent or 4 per cent to these inventories year by year, there was no way in which prices could advance from their disastrously low levels.

As I mentioned, there were other nations involved beside ourselves. We entered into an international agreement. It was not a formal agreement under whose terms every nation undertook to adhere strictly to a certain volume and price range, but there was an understanding among the western nations who were interested in this market that we were really not doing any service to the farmers of any of our countries by continuing the practices which had been followed in the past. Basically, the support price was completely out of line with the international price and no attempt was being made to equate supply with demand.

The second major improvement involved the initiation of programs for moving these high quality food products into the diets of people who had not been accustomed to using them. It is worth while to recall that had it not been for programs of this kind there would have been a far smaller market for dairy products today than existed before these high quality foods were introduced to certain nations. I am thinking of some of the central American nations, countries in the Caribbean and in certain parts of Africa.

In the first instance, we made some of these products available—I am speaking now of skimmed milk powder—on the international market at very low prices, sometimes for as little as six or seven cents a pound, though our support price in Canada was 20 cents. The interesting thing is that today we are moving a volume which is just as high, yet we are selling it for 27 cents or 28 cents, as high as 3 cents a pound above the new and increased support price. Some of the countries which were buying it at 6 cents a couple of years ago are now buying it at these more satisfactory price levels.

So there is a new kind of optimism. They can see a breath of fresh air in the dairy industry for the first time in 20 years. No longer do surpluses overwhelm the market, and volume is moving out at reasonable prices. Skimmed milk powder is now selling on the international market at prices above our support level, one which, by the way, has been raised twice, from 20 cents to 24 cents and from 24 cents to 26 cents. The floor price for cheese was also moved up twice in 1971 and today cheese, too, is selling well above this higher support level.

There are no stocks or inventories of these products building up in Canada today. This is a more satisfactory

position, because producers who have been struggling under the burden of these surpluses are able to produce, confident that no new inventories are building up. Products are moving out at about the same rate as they are produced and this is a much more satisfactory way in which to be running the dairy industry in this country.

Mr. Marchand (Kamloops-Cariboo): Members over there do not like to hear these things.

Mr. Olson: Oh, I know. It is terribly hard on those hon. members opposite. They think there is an election coming on. When they get on the hustings, I know one thing: none of them will mention the dairy industry if they can help it.

Some hon. Members: Hear, hear!

Mr. Olson: And none of them will mention the grain industry if they can help it. When I get through talking about hogs and beef and vegetables, and so on, I do not know what hon. members opposite will find to say in relation to agriculture.

Mr. Benjamin: I should like to ask the minister a question.

The Acting Speaker (Mr. Boulanger): The hon. member may do so if the minister agrees.

Mr. Benjamin: I appreciate the minister's courtesy. He made some comments earlier in his speech and I chose not to interfere until he was through. I agree with him that it is not his fault or the fault of the Liberal government if there are five-foot snowdrifts in British Columbia. But if we can move 800 boxcars today, after the snow has drifted, why could we not move 800 boxcars a day before there were any snowdrifts around Vancouver?

Mr. Olson: I am surprised the hon. gentleman should ask such an elementary question. He ought to know enough about the transportation industry, having been in it for a while, to understand that there is not much purpose hauling more boxcars to Vancouver per day than can be unloaded in that port. Today this number can be unloaded because of the tremendous improvement the government has made possible through the use of the block system which allows much more efficient use of our transportation facilities.

It was not very long ago that most people thought it would be absolutely impossible to get more than 550 or 575 carloads per day unloaded at the west coast terminals. This was the absolute upper limit, and even this was sustainable only for a day or two. But with the block system the operators know what is contained in every car before it gets there. They know the kind of grain the Wheat Board has ordered and they know which cars it will be in. Difficulties were overcome by having the grain companies exchange paper rather than cars.

These are some of the reasons we can now put 800 carloads a day in there and get them unloaded. In the past, under the system which was then in effect it was, of course, impossible to get 800 cars unloaded in Vancouver. But because of the progressive steps taken by the minister in charge of the Wheat Board and those concerned in the industry itself we have been able to increase the capacity to unload cars in Vancouver by as much as 50 per cent in the past two years.

• (2110)

Mr. Benjamin: Would the minister permit a question?

The Acting Speaker (Mr. Boulanger): Order. The hon. member can ask a question only if the minister agrees to answer.

Mr. Olson: No, Mr. Speaker, I do not want to answer any more questions. Hon. members also know that two and a half or three years ago the maximum number of carloads that could be unloaded at the head of the lakes was slightly over 1,000 a day, though on some days it was as much as 1,100. During certain weeks from December through January at Thunder Bay day after day 1,700 carloads a day were unloaded. I repeat that we should commend those people at the elevators, who work on the railways and in the grain industry, for this very significant improvement. What is more, this improvement was made without adding hardly any additional capital facilities but simply by making better use of what was available already.

The Acting Speaker (Mr. Boulanger): Order. Is the hon. member for Moose Jaw (Mr. Skoberg) rising on a point of order, or does he wish to put a question to the minister?

Mr. Skoberg: Mr. Speaker, I have a question, if the minister will permit it.

The Acting Speaker (Mr. Boulanger): The hon. member may ask a question only if the minister wishes to answer it.

Mr. Olson: Mr. Speaker, I should like to answer questions, but I must say a few words about other commodities and I am afraid I shall run out of time.

Mr. Skoberg: Then let us get back to cheese.

Mr. Olson: I shall have something more to say about cheese. There was some significant improvement as well in 1971 in the beef industry.

An hon. Member: Another marketing bill.

Mr. Olson: There has been no need for a marketing bill for the beef industry because beef is one of those commodities that takes time to reach the stage of overproduction. I sincerely hope that the beef industry will never have the serious problems encountered by the dairy and hog industries during the past year and a half or so. I say that very sincerely, even though there were some improvements in the beef industry in 1971.

The question of price is important, of course, but so is the fact that we have made some progress in changing the grading system so that beef production in Canada will now be geared more to what the housewife wants to buy. While the immediate impact of this kind of change will probably not be felt for some time, there is nevertheless a good market for beef. Indeed, as we move into the future we should be more concerned—if that is the right word—about the profit margin of the beef producers, both producers of feeders as well as feed lot operators.

Not only I but the Canadian Federation of Agriculture and the Canadian Cattlemen's Association have long felt that there is a finish being put on a lot of these animals, that is, first of all, very expensive and, secondly, almost completely wasted once they get to the packing houses. It is clear to those people who understand packing of beef that the last extra pound of fat that is put on at the end of the feeding season, in terms of conversion rates and cost per pound, is probably the most expensive pound of fat so far as the feeder is concerned. If this is cut off when the cattle goes to the packing house—and there are far too many fat heifers and steers that have to have a lot of fat cut off—surely we should use our intelligence and ingenuity to find a way of bringing these cattle to market so that the whole product is more acceptable to the consumer, with a resultant lower cost to the feeder. As far as one can see down the road through 1972 and beyond, the beef industry can look with some confidence and optimism to a market that will remain in a healthy economic condition.

I turn now to the subject of hogs and to say something about 1971 which was a very difficult year for the hog producers. Hogs were in overproduction in relation to market demand both in Canada and the United States, to the point where through most of 1971 many hog producers were selling their hogs at below their cost, not a desirable situation. A few days ago we announced that we would be paying a deficiency payment in 1971 of $5 per hog up to 200 hogs with grade index 100 or higher.

Mr. Harkness: Would the minister permit a question?

The Acting Speaker (Mr. Boulanger): Order. Is the hon. member rising to ask the minister a question?

Mr. Harkness: Yes, Mr. Speaker. I should like to ask the minister why the legal requirements of the Agricultural Stabilization Act in regard to obligatory payments are not being met on hogs that are below index 100.

Mr. Olson: Mr. Speaker, as the hon. member will know—because he was, I think, in the government at the time the original Agricultural Stabilization Act was written—the level of payment we are making is not 80 per cent but 88.5 per cent. He will also know that under the act and regulations it is not specifically stated that this payment shall be made on every hog regardless of quality. The reason for this is very simple. We know, and the hon. member certainly will agree—

Mr. Harkness: That is not what the act said when it was put through.

Mr. Olson: I am sure the hon. member will agree that what we are really talking about here is hog quality, when once you go below 100 you can go down quite a way, but 60.9 per cent of the hogs are grade 100 or better. When you go down below that you are really talking about a product that is not attractive to the market.

The Acting Speaker (Mr. Boulanger): Order. I regret to inform the minister that his time has expired. Since I have already taken account of a few extra minutes taken to answer questions, I shall need the unanimous consent of the House to permit the minister to continue.

Some hon. Members: Agreed.

[Mr. Olson.]

Mr. Olson: No, Mr. Speaker, I am not going to transgress the good will of the House to go on longer. Obviously, I shall have to make another speech later in the Throne Speech debate. I have a number of very important matters to deal with that will probably take a further 20 or 25 minutes. These relate to the U.S. surtax, sheep and lambs, potatoes, eggs, and two bills, the Farm Credit Corporation bill and the exhibition loans bill. So while I thank the House for its courtesy, I find I shall need more time than an additional four or five minutes.

Mr. Benjamin: A point of order, Mr. Speaker.

The Acting Speaker (Mr. Boulanger): Is the hon. member rising on a point of order?

Mr. Benjamin: Yes, Mr. Speaker. With your indulgence, and with extra time granted the minister by the House, I wonder whether he would answer one more question.

Mr. Olson: I am perfectly willing, Mr. Speaker.

Mr. Benjamin: Would the minister mind completing the answer to the question I asked him earlier? In view of the fact that he and I both agree that 800 carloads a day are now being unloaded in Vancouver with use of the same facilities that were available last November before the five-foot snowdrifts, would the minister explain how it is we could not unload 800 carloads a day last November and thus avoid the mess we got into in January?

Mr. Olson: The answer is very simple, Mr. Speaker. Eight hundred carloads a day on a sustainable basis is almost unheard of in Vancouver. We are improving day by day as a result of the changes made in the operations of the Canadian Wheat Board, the grain commissioners, and so on, and I could spend 30 minutes going into great detail about these improvements and the effect they have had. However, I think it is fair to point out to the hon. member that the figure continues to rise. I do not know why on certain days in November they were unable to unload 800 carloads, but I do know that in view of what happened 6, 8 or 12 months ago they could get nowhere near that figure previously.

• (2120)

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, at the onset I should like to congratulate the mover and seconder of the Address in Reply to the Speech from the Throne, although I myself was disappointed with the Speech from the Throne. I believe it was just window-dressing. I imagine most members of the House of Commons spent their Christmas recess as I did, trying to iron out the problems of the Unemployment Insurance Commission. Therefore, at this time I propose to speak at some length on the Unemployment Insurance Commission.

When we returned here after the recess, members of the opposition repeatedly tried to have the House adjourned in order to deal with the deplorable situation in respect of the unemployed. However, this was to no avail. It is my opinion that the government did not want to face up to the situation regarding the issuance of cheques by the commission. As you would recall, Mr. Speaker, last June I asked the minister in charge of the Unemployment Insurance Commission if he would discontinue the use of the

computer system for issuing cheques and return to the manual operation. I even went so far as to suggest he could use the computer, if he had no other use for it, as a ship's anchor in the Bay of Quinte.

It turned out the other day that there were 300 cheques which had no names or addresses on them. The computer was supposed to handle 90 per cent of the unemployment insurance claims for the province of Ontario. What has it handled? It has handled 34 per cent. Last week in this House of Commons we were informed that the computer at Belleville was to handle 5,000 claims which could not be processed in the province of Quebec. When it cannot process the claims for the province of Ontario, I cannot understand why we should import business for it from another province.

I have a case involving a lady who applied for unemployment insurance on September 26 and who did not receive it until last week. When I inquired about her complaint I was informed by the Unemployment Insurance Commission at the computer centre in Belleville that they had lost the records and could not find them. The computer at Belleville broke down and it was necessary to employ 250 extra people. There was no other place in which to house them so they were housed in an old bowling alley with two washrooms and two exit doors.

One can understand some of the problems in respect of unemployment insurance claims when people work in such conditions and in some cases are inexperienced. I think the staff in the district offices of the Unemployment Insurance Commission try their best. They work long hours in their efforts to sort out claims. This is the situation especially at Christmas time. I am not throwing the blame on the local area offices; it lies right here at the head office.

I believe the time is long overdue when something should be done about the situation. We might ask ourselves what we should expect when a computer is reprogrammed two or three times a month. This is what is going on. This is what happens in respect of the computer for Ontario which is located in Belleville. They are having difficulty in respect of the computer again. What are we to do now? I have correspondence from people, but time does not permit it to be placed on the record of the House. However, I would mention one or two cases.

One letter states that after 24 phone calls and a delay of two months the people concerned finally received their unemployment insurance. I have another case involving a very honest individual who tried unsuccessfully for weeks and weeks to receive his unemployment insurance benefit. He was unable to obtain any answers. Last Tuesday he received a cheque for eight weeks' benefits, in the amount of $450. Fortunately, he had returned to work. The unemployment insurance office had confirmed by telephone that he was working. On February 18 he also received four more cheques, which I have in my hand, for $574 for which he had made no claim and was not entitled to do so. In the first instance he had applied for unemployment insurance as a single man. However, according to the computer he was a married man and therefore he received $574 for the same period for which he had received $450. I assure the House that I intend to make sure that these four cheques are returned to the Unemployment Insurance Commission.

We have asked the government to deal with this very deplorable situation which is plaguing the people of this fair country of ours from coast to coast. We have heard of demonstrations in every province, and yet the government has not seen fit to let us deal with the situation which has caused misery and suffering to many people, especially at Christmas time. In many cases these people probably do not have sufficient money to carry them over a period of three or four weeks. These are honest and sincere people. I venture to say that every member of this House in days to come will be plagued by constituents who say they are being asked to pay back unemployment insurance money which they received in the form of overpayments.

So much for the Unemployment Insurance Commission. Now I shall move to the comments of the hon. member for Bruce (Mr. Whicher) in his speech in respect of the old age pensioners. He stated—and I do not have any argument with this—that 600,000 of our senior citizens receive $135 a month as a single person, or $255 per month as married couples at age 65. Then he threw in his dig about the Tory party when it was in power not seeing fit to lower the age. I want to remind him that it was the Tory party which gave them more than the six-buck boys did in days gone by. I do not think he stopped to think about a single individual attempting to live on $135 a month and keep up a home. He may say no individual should be living alone in this day and age. However, I cannot go along with that. I realize it is much more expensive to keep up a house if a person is receiving only $135 a month, but I still respect that individual's right to live in a home which he has enjoyed for many years.

The hon. member also dealt with the medical coverage which our senior citizens over age 65 are receiving. I believe thanks should go to the province of Ontario for exempting from contribution people over age 65. I venture to say the time is coming when we must consider bringing down the age to 60 instead of 65. He went on to describe at some length the situation of the war veteran. He stated that a single pensioner on a full pension now receives $292 per month, whereas a veteran with a wife and three children receives $460 per month. This may be very true, but I point out how difficult it is for a veteran to receive the full pension. I could mention a little later veterans who are disabled, who have been laid up with injuries and who are receiving amounts a long way below $460. I should like to quote from a magazine called *Fragment*. This magazine is published by War Amputations of Canada and it states in part:

> Veterans across Canada must unite in their efforts to gain maximum benefits from the federal government, which too long has been making veterans dance to the tune of politicians.

• (2130)

I quote from an address given by Mr. Chadderton of War Amputations of Canada. He quoted the case of a paraplegic veteran whose spine was damaged by a German machine-gun bullet on D-Day and who receives only $1,600 out of a maximum of $2,400 under the exceptional incapacity allowance. The executive secretary of the War Amputees Association said that benefits in 1919 amounted to the same as wages received by basic civil servants. The basic pension is $3,500 a year, while the average civil service salary for the lower grades is $4,550.

We are getting gypped out of $1,000. What we want is to be treated fairly. We want to ensure that the Pension Commission will get with it. We are tired of political games.

Now we hear from the hon. member who replied to the Speech from the Throne how well the veterans are treated. The system, in my opinion, is designed to discourage veterans from applying for benefits. The veteran is filled with the frustrations of meeting boards and is shuttled around while he settles for less than he is entitled to. I should like to deal with a war veteran whose disability allowance I tried my best to have increased. This veteran has his leg off below the knee. He has suffered from a spinal injury as a result of having part of his leg amputated. He is not able to work. He has a wife and one dependent child, and he is receiving $214 a month. He has been before the board for reboards and, as the executive of the War Amputees Association stated, he is shunted back and forth. Now he is suffering from a nervous disorder, and yet I can get no satisfaction from the doctors at the reboard. They say they cannot upgrade his allowance or anything else.

He is one of many such veterans. I know of another veteran who is trying to get into Sunnybrook Hospital where only 550 beds are left for veterans. At one time this was supposed to be a veterans' hospital. This gentleman is confined to a nursing home. What he gets there is not what he deserves, yet he is being forced to spend his remaining years in what I would call very uncomfortable surroundings. Yet we hear how well this government has treated our war veterans. I cannot go along with this, and my efforts will be directed toward helping those who have served our country so well.

Now I would like to deal with another subject which I thought would have been dealt with in the Speech from the Throne. I am referring to what is known as the grand canal scheme. We hear so much about pollution and about the shortages of fresh water, and yet we have flowing into the Arctic and into the Atlantic Ocean 3,000 cubic feet of fresh water per second. In 1964, a consulting engineer named Thomas W. Kierans compiled the results of his extensive research into the possibility of diverting the waters of several northern rivers in Ontario and Quebec down to the Canadian heartland, the Great Lakes.

As I stated before, this project is known as the grand canal scheme. It is roughly 550 miles long. There are 18 pumping stations and electricity can be generated from the water going down the other side to pump the water up. The project envisioned by Kierans would provide endless quantities of water to flush out the Great Lakes and give them new vitality. In short, the scheme would give new life to those lakes and several rivers serving more than half the population of North America.

Mr. Kierans' proposal was to benefit the people of Canada, to the detriment of no one. In keeping with its policy of manipulating the people of Canada instead of trying to govern them, the present federal government has stood idly by and allowed the Quebec government to pre-empt the Kierans proposal and to watch while thousands of people are chased from their homes in callous disregard and hundreds of thousands of square miles of watershed in Ontario and Quebec are disoriented.

On the front cover of the report of his studies which Mr. Kierans published one can find the following legend after the title "Provincial—National—International—Multipurpose Benefits". Such a legend is in keeping with the spirit that made us a great nation. The narrow, self-seeking nature of one province to jump on this bandwagon and attempt to justify a premier's election promises to create jobs is the type of spirit that will put Canada at the bottom of the list of world nations. One would expect a province that receives $1.5 billion more than it pays in taxes, money that comes from other provinces' taxes, to at least go through the motions of consulting other provinces on a matter that will affect them. One would expect that province to take every opportunity to enter into co-operative ventures to advance the economic and social climate of the respective provinces. This "go it alone" attitude on the part of a province which demonstrates every day that it cannot go it alone is wearing thin, and I think it is incumbent on the federal government in such a case to step in and exercise leadership. This is why I expected some mention of this, from the progressive government it is supposed to be, in the Speech from the Throne.

This is not a plan which a provincial leader should be allowed to put into practice as an election gimmick. This is a serious matter which can have incalculable results in both benefits and damages. The James Bay water project envisioned by Kierans can benefit millions of Canadians. If entered into improperly, it could lead to untold and irreversible damage to our northern ecology. As it is being approached by Quebec, it will result in the almost immediate dispossession of thousands of native Indians in northern Quebec and Ontario and the removal of some species of wildlife from a vast area of the Canadian north.

The Quebec government says that it can do what it chooses to do with the waters because the affected rivers flow out of their province. I dispute that claim. The rivers do indeed flow out of Quebec, but so does the Peace River flow out of British Columbia and all of us know today the effect of the Bennett Dam on the ecology of northern Alberta and the effect on the lives of the native peoples of that area. We say now that we would not have allowed the Bennett Dam to be built if proper information had been available to us before it was built.

We still have time to get complete and proper information on the short-range and long-range results of allowing the Quebec government to proceed in the manner it plans to do and that in fact it has begun to do. It is not too late for the federal government to force a halt to this project until all possible information is made available to the government and to the provinces on the short-term and long-range impact that it can have on the ecology of a vast area of our country.

I am concerned, also, about the great possibility that the federal government will be drawn into this project in a way that will further strain the fiscal resources of

the government. It is common knowledge that the Quebec government does not have the money that will be required to complete the project. In fact, the estimates of the cost of the project range from $5 billion to $10 billion, and that in itself proves that the planning has been less than adequate. I may state here that in 1964 the Kierans report estimated the cost at between $2½ billion and $3 billion.

• (2140)

I am concerned, Mr. Speaker, that the federal government will be required to bail out the project with tax money from other provinces to avert a possible or probable disaster. I do not want to wait until that happens. I should like to speak of some of the benefits of the grand canal suggested by the Kierans report—new waters to the Great Lakes, the St. Lawrence and Ottawa rivers; water for the power industry, navigation, ports, shore property protection, fisheries and recreation; water for consumption, such as municipal water supplies, industrial uses and agriculture. New water from the grand canal system would offset withdrawals from the Great Lakes; new electric power could be fed into a national power grid to handle peak load periods; inland navigation, using ships for cargo and passenger service could extend from Montreal through the Great Lakes and into the Atlantic Ocean from Hudson Bay. In addition, the grand canal project, as a joint federal-provincial venture, would promote orderly development of a large and wealthy area of the Canadian north.

Mr. Speaker, the Throne Speech contains a statement by the Prime Minister (Mr. Trudeau) that reads as follows:

> Our goals and hopes are bound up in the restlessness and vitality of this rich land.

I am in agreement with the Prime Minister that we have a rich land, Mr. Speaker, but I add to that statement that our wealth is so badly managed by the present government that the restlessness he speaks of is not a good sign, as he implies, but a bad sign. It is a sign that people in this country are fed up with deprivation and lack of opportunity in a country that has the potential to be a great nation. People are restless because they have been deceived and misled. People are restless because they not only cannot find jobs but they cannot even get assurances from their government that it is even the least bit interested in their plight. People are required to leave the work force before they feel that they are through contributing, and are forced to exist on inadequate pensions for the remainder of their lives.

Mr. Speaker, I had hoped that the Throne Speech would contain some indication that this government would consider abandoning a few of its costly and wasteful give-away programs and divert that money to the more humane and more practical purpose of increasing pensions and supplements to the elderly. I had hoped, Mr. Speaker, that the Throne Speech would provide some ray of hope to those of our citizens who aspire to something more than a mere existence. I had hoped that the government would at long last abandon or at least modify its disastrous experiments with our economy and chart a course toward fiscal reality.

We need programs that will stimulate the economy and restore the confidence of Canadians in their own system. We need a revitalized economy, because that is the only way new jobs can be created and present jobs preserved. The Prime Minister stated in the Throne Speech that the government would double its past efforts in the fight against unemployment. Last year those efforts created 57,000 new unemployed. It would appear that the goal for 1972 is to be 114,000 new unemployed, if we are to go by the government's past record.

The future of Canada is in serious doubt, Mr. Speaker, and I say this knowing that the Prime Minister will call me a prophet of doom, as he has called my leader.

[*Translation*]

The Acting Speaker (Mr. Boulanger): Order, please. It being 9.45 p.m., it is my duty, pursuant to Standing Order 38(3), to interrupt the proceedings and put forthwith any amendment now before the House.

• (2150)

[*English*]

The House divided on the amendment to the amendment (M. Lewis) which was negatived on the following division:

(Division No. 1)

YEAS

Messrs.

Aiken	Laprise
Alexander	La Salle
Asselin	Latulippe
Baldwin	Lewis
Barnett	MacDonald (Egmont)
Beaudoin	MacInnis (Mrs.)
Bell	MacKay
Benjamin	McCleave
Burton	McCutcheon
Carter	McGrath
Coates	Moore
Crouse	Muir
Danforth	Nesbitt
Dinsdale	Noble
Douglas	Nowlan
Downey	Nystrom
Fairweather	Orlikow
Flemming	Peters
Gauthier	Ritchie
Gilbert	Rodrigue
Godin	Rowland
Harding	Scott
Hellyer	Simpson
Howard (Skeena)	Skoberg
Howe	Southam
Knight	Stanfield
Knowles (Winnipeg North Centre)	Stewart (Marquette)
Korchinski	Thompson (Red Deer)
Lambert (Edmonton West)	Woolliams
	Yewchuk—59.

NAYS

Messrs.

Allmand	Basford
Andras	Béchard
Badanai	Beer

Division

Messrs:

Benson
Blair
Blouin
Boulanger
Breau
Buchanan
Caccia
Cafik
Chappell
Chrétien
Clermont
Comtois
Corbin
Crossman
Cullen
Cyr
Davis
Deachman
Deakon
De Bané
Dubé
Dupras
Émard
Éthier
Faulkner
Forest
Forget
Foster
Francis
Gendron
Gervais
Gibson
Gillespie
Goode
Goyer
Gray
Groos
Guilbault
Haidasz
Hopkins
Howard
(Okanagan Boundary)
Hymmen
Isabelle
Jamieson
Jerome
Lachance
Laflamme
Laing
(Vancouver South)
Lajoie
Lang (Saskatoon-
Humboldt)
Langlois
Laniel
Leblanc (Laurier)
Lefebvre
Legault
Lessard (LaSalle)
L'Heureux
Loiselle
Macdonald (Rosedale)
MacEachen
MacGuigan
McIlraith
McNulty
Mahoney
Marceau
Marchand
(Kamloops-Cariboo)
Munro
Murphy
Noël
O'Connell
Olson
Osler
Ouellet
Pelletier
Penner
Pepin
Perrault
Portelance
Pringle
Prud'homme
Reid
Roberts
Robinson
Rochon
Rock
Roy (Timmins)
Roy (Laval)
Serré

Messrs:

Sharp
Smith
(Northumberland-
Miramichi)
Smith (Saint-Jean)
Stafford
Stanbury
Stewart (Cochrane)
St. Pierre
Sullivan
Thomas
(Maisonneuve-
Rosemont)
Tolmie
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Wahn
Walker
Watson
Weatherhead
Whelan
Whicher
Yanakis—115.

Mr. Speaker: I declare the subamendment defeated.

At 10.10 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, February 22, 1972

The House met at 11 a.m.

ROUTINE PROCEEDINGS

WAYS AND MEANS

TABLING OF MOTION TO AMEND INCOME TAX ACT

Hon. John N. Turner (Minister of Finance): Mr. Speaker, in accordance with Standing Order 60 I wish to table notice of a ways and means motion to amend the Income Tax Act providing for the 1972 corporate and personal income tax cuts announced during the last session.

* * *

AIRPORTS

TORONTO—SITE OF SECOND INTERNATIONAL FACILITY—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. W. M. Howe (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, pursuant to Standing Order 43 I ask the unanimous consent of the House to propose a motion in a case of urgent and pressing necessity. I refer to the situation created by the many speculative rumours in regard to the location of the second international airport in Ontario. In view of the importance of a final decision in this respect I move, seconded by the hon. member for Grey-Simcoe (Mr. Noble):

That a special order of the House be made setting up the Committee on Transport and Communications immediately and that this matter be referred to that committee for study and report in order that the final decision may be in the best interests of all concerned.

Mr. Speaker: The House has heard the motion proposed by the hon. member for Wellington-Grey-Dufferin-Waterloo under the terms of Standing Order 43. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent. The motion cannot be put.

VETERANS AFFAIRS

CONSIDERATION OF LEGISLATION BY COMMITTEE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I wish to present a motion under Standing Order 43 on a matter of urgency. In view of the fact that the terms of reference of the Woods Committee precluded consideration of the basic rate of pension and consideration of the National Prisoners of War Association I move, seconded by the member for York-Sunbury (Mr. MacRae):

That the Standing Committee on Veterans Affairs be convened to consider these and other matters relating to progress of the Department of Veterans arising out of the Canadian Pension Act, War Veterans Allowance Act and other legislation pertaining thereto.

Mr. Speaker: This motion has been proposed under the terms of Standing Order 43. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent. The motion cannot be put.

ORAL QUESTION PERIOD

CANADIAN PACIFIC RAILWAY

REMOVAL OF STATION AGENTS, SASKATCHEWAN AND ALBERTA—REQUEST FOR REVIEW OF TRANSPORT COMMISSION ORDER BY CABINET

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I rise to ask a question of the Prime Minister. It deals with two matters and originated as a result of action taken by the government of the province of Saskatchewan with the assistance of various municipal representatives. It has to do with an order that has been handed down by the Canadian Transport Commission whereby, on the application of the Canadian Pacific Railway Company, 56 agents, nine caretakers and four caretaker agents at stations in the province of Saskatchewan and four agents and three caretakers at stations in the province of Alberta are being removed. The decision was made, reconsideration was given by the commission and the commission has now upheld the original order. In view of the fact this decision will actually bring about in Saskatchewan a death blow to many large towns and villages, I ask the Prime Minister whether the cabinet, in the exercise of its authority, will review this order to the end that justice will be done? Unless it is reviewed and altered in whole or in

part, many of our towns and villages will become ghost towns.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am sure the right hon. member will realize that I have not had any previous notice of this question and I cannot possibly answer without looking into the matter. I will look into the matter and see if an answer can be provided.

• (1110)

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I should like to direct a supplementary question to the Minister of Transport. In view of the fact that representations were made at the commission hearings in Saskatchewan by a score or more communities through their representatives, by the government of Saskatchewan, by four members of Parliament and by one hon. gentleman from the other place, all in opposition to the closure of these agencies, and since these representations were ignored by the Canadian Transport Commission, will the minister consider asking his colleagues in the cabinet to rescind the order handed down by the commission?

Hon. Donald C. Jamieson (Minister of Transport): Without looking at the actual details I am not sure whether the cabinet has in fact the authority to overrule the Canadian Transport Commission, but I will be glad to look into the whole issue to see exactly what authority we may have and discuss the matter with the appropriate persons.

REMOVAL OF STATION AGENTS, SASKATCHEWAN AND ALBERTA—CONSIDERATION OF NATURE OF UNDERTAKINGS BY COMPANY IN REVIEW

Mr. John Burton (Regina East): Mr. Speaker, I should like to ask the minister whether as part of his review of this matter he would take special note of the justification given for the decision of the Canadian Transport Commission which is based in part on certain undertakings by the Canadian Pacific that are of greater or lesser significance to many people depending on how they are regarded. For example, there is the undertaking that stations will be kept open where passenger service is provided, but there is not a single bit of passenger service available at any of the locations involved. Will the minister review the whole matter in light of the innocuous undertakings given by Canadian Pacific and the meaningless gestures made by the company?

Hon. Donald C. Jamieson (Minister of Transport): To the extent that the question contains a request that I review, yes, I will be glad to do so.

* * *

THE CANADIAN ECONOMY

FOREIGN INVESTMENT—INQUIRY AS TO POLICY STATEMENT—DISCUSSION WITH UNITED STATES

Mr. David Lewis (York South): Mr. Speaker, I wish to address a question to the Prime Minister. In view of the innumerable undertakings given by the right hon. gentleman, beginning some months ago, and the inexplicable delays which have taken place, can the Prime Minister inform us now when the promised statement on government policy with regard to foreign investment or, to use the government's fancy title, domestic control of the national economic environment, will be made to the House?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker. Precisely because there have been innumerable delays and because the government has not been able to come forward with this statement as quickly as it had hoped, I would prefer not to go on record now as setting any date. Past experience has taught me that this is an unwise thing to do in this particular connection.

Mr. Lewis: It may be unwise to name a particular date, but in view of the fact the policy of the government was supposed to have been arrived at last November and to have been contained in a cabinet minute dated November 15, can the Prime Minister tell the House whether the government is still standing by that policy or whether the policy is being reconsidered or has been changed in any respect, and what events, pressures or considerations have been responsible for the delay?

Mr. Trudeau: Mr. Speaker, this question is based on hypotheses as to things that might or might not have happened to a policy statement of which the hon. member knows nothing. I do not think I could answer in a way that would enlighten him except to remind him that both he and his party know the difficulty of arriving at a coherent, broad policy on foreign ownership.

Mr. Lewis: Mr. Speaker, it occurs to me that Justin could do better than that. The Prime Minister knows that we have given—

Mr. Speaker: Order, please. The hon. member has been recognized for the purpose of asking a supplementary, so perhaps he would ask it.

Mr. Lewis: I should like to ask the Prime Minister this question. In view of the fact that the *Canadian Forum* version of the government's policy has been available publicly for a long time, may I ask the Prime Minister whether the subject matter of Canada's policy on foreign investment has been raised in an informal or a formal way during any discussions with ministers or officers of the United States administration, or in the current trade discussions or in any other discussions that have taken place; and has the government's policy, or the broad outlines of that policy, been communicated to ministers or officers of the United States government?

Mr. Trudeau: Mr. Speaker, I know of no way in which that policy could have been communicated to the United States government. The subject may have been mentioned as a subject in various exchanges, but there is no way in which the policy could have been communicated in any substantive form to anyone for the simple reason that when it is ready in substantive and final form it will be communicated to the House of Commons first.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, do I take it from the Prime Minister's replies that the decision which the Prime Minister said had been

taken before Christmas on this subject has been subject to review since that time and is still subject to review?

Mr. Trudeau: No, Mr. Speaker, the Leader of the Opposition should not take that to be the case. I explained a couple of days ago that the broad decision had been taken in December and that we are now working out the conditions under which that decision would apply and the various aspects of implementing that decision, which I reminded the House was a further matter for consideration and which we hope will lead us close to the period when we can introduce legislation dealing with the whole question.

[*Later:*]

FOREIGN INVESTMENT—CONSULTATION WITH PROVINCES ON POLICY

Mr. David MacDonald (Egmont): My supplementary is to the Prime Minister. As the elaboration of policy or the decision on such a policy will have such wide ramifications for the country and in view of the obvious interest and concern of members of provincial governments, has the Prime Minister or the Minister of Finance had an opportunity to confer directly with the premiers or their provincial counterparts to consider the implications of any national policy in this regard?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I informed the House before Christmas that the matter had been discussed in general terms at the federal-provincial conference of first ministers. We did not, of course, supply to them the details of our policy or even, for that matter, the broad details because, I repeat, we wanted to inform the House of Commons of it first. However, we did discuss the matter with them in general terms and got whatever information we could from them. As the hon. member knows, some provinces are pursuing their work on foreign ownership and they are doing that parallel to the federal government. We hope the end result will dovetail in a way which is satisfactory to all Canadians.

FOREIGN INVESTMENT—ALLEGED REJECTION OF DATE SUGGESTED BY MINISTER OF NATIONAL REVENUE FOR POLICY STATEMENT

Mr. Frank Howard (Skeena): I should like to ask the right hon. Prime Minister if he could explain to the House the reasons why he and his government rejected the very valid recommendations that the policy statement on foreign ownership be made toward the end of the throne speech debate, which recommendations were contained in a memorandum from the Minister of National Revenue dated February 14?

Mr. Speaker: Order, please. I suggest to the hon. member that a question asked in those terms is not in order. In this way the hon. member is inviting the Prime Minister to make a statement which normally ought to be made on motions.

Mr. Howard (Skeena): Could I rephrase the question, Mr. Speaker?

Mr. Speaker: The hon. member for Skeena.

Mr. Howard (Skeena): May I ask the right hon. gentleman whether he would be prepared to table that memorandum from the Minister of National Revenue on this subject so that everybody may see what those valid suggestions were and in order that the Minister of National Revenue, who knows more about this obviously than the Prime Minister—

Some hon. Members: Order!

Mr. Speaker: Order, please.

* * *

[*Translation*]

AGRICULTURE

HOGS—REQUEST THAT FEED GRAIN FREIGHT SUBSIDY BE RE-ESTABLISHED

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I have a question for the Minister of Agriculture.

In view of the fact that for the past two years the prices of hogs in eastern Canada have been too low to permit survival of producers and that since October 1969 the government has cut down the transport grant for grains by $1.40 per ton for practically all constituencies in the Montreal area, including the county of Richmond, could the minister state whether his department intends to reinstate grain transport subsidies in these ridings in order to assist hog producers?

[*English*]

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, the Prime Minister has already announced that there will be some adjustments in the rates of feed freight assistance paid. The zones in eastern Canada where the rate will be raised are those where there has been an actual increase in cost of transportation. What we are attempting to do is to adjust these rates into the various zones so that the amount paid by producers or users of feed grains will be balanced a little more equitably than has been the case to date, as a result of changes in transportation costs.

[*Translation*]

DATE OF FEED GRAIN FREIGHT SUBSIDY ADJUSTMENT

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I have a supplementary.

Can the minister give us some indication as to approximately when his department intends to implement these adjustments?

• (1120)

[*English*]

Hon. H. A. Olson (Minister of Agriculture): Yes, Mr. Speaker. In fact I can make it very precise—on April 1, 1972. That has already been announced.

Inquiries of the Ministry

LABOUR RELATIONS

DISPUTE BETWEEN TREASURY BOARD AND ELECTRICAL WORKERS—GOVERNMENT POSITION—PROSPECTS FOR SETTLEMENT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the President of the Treasury Board. In light of the uncertainty about the progress, if any, toward settlement of the air technicians dispute and the uncertainty surrounding the situation, can the President of the Treasury Board tell the House briefly what the government's position is, what progress is being made and what the prospects are for early settlement?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, the hon. gentleman obviously does not want to know the whole story and, indeed, this is not the occasion. I do not think it is appropriate to discuss in the House what the course of negotiations, which according to past practice have always been private, should be. I can say, however, that the parties are meeting again with the mediator in an endeavour to make progress.

DISPUTE BETWEEN TREASURY BOARD AND ELECTRICAL WORKERS—EXTENT OF AIR SERVICE DISRUPTION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wonder whether the Minister of Transport could indicate to the House specifically the extent to which regular air services are being disrupted by the dispute between the air technicians and Treasury Board?

Hon. Donald C. Jamieson (Minister of Transport): That varies, Mr. Speaker, across the country. Some of the designated employees have returned to their positions in various locations. We have yesterday's report, as of about an hour ago, indicating that at some airports the number of employees was 100 per cent of normal and this declined to about 50 per cent at the lowest point, the two most difficult areas being within the provinces of Quebec and Ontario. I would be very glad to indicate the separate airports to the Leader of the Opposition if he wished.

DISPUTE BETWEEN TREASURY BOARD AND ELECTRICAL WORKERS—CONTINGENCY PLAN TO RESTORE AIR SERVICE

Hon. Robert L. Stanfield (Leader of the Opposition): I have a further supplementary question directed to the right hon. Prime Minister. In view of the obvious serious effect the dispute is having upon air traffic and also the concern about air safety, has the Prime Minister given any consideration to changing the method by which it is being handled? Has he given any consideration to taking it out of the hands of the Treasury Board and, specifically, has the Prime Minister any contingency plans for getting the technicians back to work and the airplanes flying again satisfactorily?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, we always have contingency plans but we are not about to put them into operation at this time.

[Mr. Olson.]

DISPUTE BETWEEN TREASURY BOARD AND ELECTRICAL WORKERS—NATURE OF GOVERNMENT PROPOSALS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to direct a question to the President of the Treasury Board. Without asking for the details of the discussions, can he say whether the discussions are now being conducted on the basis of the recommendations of the conciliation board or whether the Treasury Board has made any new proposals to the air technicians?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, there have been a number of proposals and counter-proposals made and there will continue to be further proposals and counter-proposals made. One thing that is abundantly clear is that the demands of the electronic technicians are considerably in excess of what appears to be reasonable to grant.

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, in order to clear the air I should like to ask a supplementary. I understand the Treasury Board has offered some 15.5 per cent and that the union is asking for some 23.7 per cent. Can the President of the Treasury Board advise, without revealing any particular figures, whether this is the situation as it now stands and whether in fact there is an impasse? As I understand it, the government is not prepared to offer any more money. Is this the situation?

Mr. Drury: Mr. Speaker, I think the hon. gentleman will recognize that for either party to publicly declare its final position is not the most effective way to proceed to negotiate an agreement.

Mr. Speaker: The Chair will recognize a supplementary by the right hon. member for Prince Albert and then one last supplementary on this subject by the hon. member for Winnipeg North.

Right Hon. J. G. Diefenbaker (Prince Albert): In respect of the minister's answer in which he said that when we are negotiating we cannot let anyone know what stand we are taking. Did the minister, on behalf of the Treasury Board, not say that the stand of the government of Canada was inexorable and that there would be no increase over and above the amount originally recommended by the Conciliation Board for these people?

Mr. Drury: Mr. Speaker, I did not say that.

Mr. Diefenbaker: A representative of the Treasury Board?

Mr. Drury: No, nor did a representative of the Treasury Board.

Mr. Diefenbaker: Oh, yes, you did.

Mr. Drury: What the government has said is that it continues to be prepared to accept the unanimous report of the conciliation board, the judgment of the government being carried by its representative in that unanimous report.

Mr. Diefenbaker: Mr. Speaker, there was no denial at any time or explanation of the statement by the Treasury Board that this is what they would get and beyond that

the Board is not going. Did not the minister take that stand?

Mr. Speaker: Order, please.

Mr. Diefenbaker: That is exactly what he has done.

Mr. Speaker: The Chair, as I indicated a minute ago, will recognize the hon. member for Winnipeg North on a last question on this subject and I suggest that from then on we try to move a little faster because we will soon be running short of time.

Mr. Orlikow: Mr. Speaker, the President of the Treasury Board says he thinks it would be improper to indicate publicly what the position of the government is in relation to these discussions. Has the government indicated to the striking employees, since the government feels their requests are exorbitant, what the government feels would be a fair offer on the part of the government?

• (1130)

Mr. Drury: Mr. Speaker, I could answer that. There has been a public declaration of what the government feels would be a fair offer, subscribed to by the union representative some time ago. This resulted in the unanimous report of the conciliation board. Since then it is quite clear the representatives of the electronic technicians have asked for more and are continuing to press the government for more. As the hon. gentleman knows, this procedure of negotiation through a mediator is a step by step process. Frequently it is rather slower than we would like, but still progress is made. Bargaining is being engaged in and one cannot bargain if it is being done in public.

* * *

[*Translation*]

SPORTS

1976 OLYMPIC GAMES—REQUEST BY MONTREAL FOR FINANCIAL ASSISTANCE

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

Can he tell us whether his government or the cabinet has taken a decision concerning the request for financial assistance from Montreal in connection with the 1976 Olympic Games?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, there has been no request for financial assistance from Montreal for the 1976 Olympic Games. On the contrary, the City of Montreal has always assured us that the games would not cost a cent to the federal government and we have always thought that the city would keep its word.

* * *

[*English*]

TRADE

CANADA-UNITED STATES NEGOTIATIONS—POSSIBLE FURTHER CANADIAN CONCESSIONS

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the right hon. Prime Minister. Would he take the first opportunity on motions to outline to the House why the government feels it has any obligation to make further contributions toward assisting the United States to correct its temporary imbalance of trade with Canada in view of the fact that in 18 out of the last 20 years Canada has been in a deficit position in its balance of payments with the United States and at the present rate of deterioration of our balance of payments with that country we will be again in a deficit position in 3 or 4 months.

Mr. Speaker: Order, please. The hon. member is obviously making a speech. I suggest to him that the first part of his question is in order. He is inviting the Prime Minister to indicate whether a statement might be made on motions, but the hon. member should try to limit his question to that.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if I were to make a statement on motions I would merely be repeating the very valid arguments that the hon. member has just enunciated and which are borrowed from the arguments the government is making to the Americans.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Hees: As any contributions which the government will make will cause serious lay-offs to take place in Canada and result in unemployment rising seriously, will the government give consideration to cancelling the assurance it has given the United States that it will make these further contributions which will ensure more lay-offs and more unemployment?

Mr. Trudeau: If the premises were valid I might agree with the conclusions, but they are not.

Mr. Hees: The premises are valid.

Mr. Speaker: Order, please. Perhaps the Chair might be allowed a few moments to give an opportunity to members in the back rows to take part in the question period.

CANADA-UNITED STATES AUTO PACT—REQUEST FOR STATEMENT ON GOVERNMENT'S POSITION

Mr. Edward Broadbent (Oshawa-Whitby): Thank you for your charitable consideration, Mr. Speaker. My question is directed to my good friend, the Minister of Industry, Trade and Commerce. In view of the widespread and accurate belief that the government of Canada shifted its negotiating position between the months of December and January on the Canada-United States automotive agreement, which led to a breakdown in the talks, and in view of the minister's own commitment to the House last December that he would take the House into his confidence before a final agreement with the United States is reached in this matter, would the minister assure the House now that some time later this week he will make a statement on motions outlining the government's position on the Canada-U.S. automotive agreement?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, as no final agreement has been

reached I cannot honour the promise I made, but the promise still holds. On the subject itself, we are very careful in attempting to maintain the right balance. As my hon. friend does not know what the first offer was, he cannot say that we shifted from the first offer. I am surprised to hear the hon. member for Prince Edward-Hastings being so tough, as his House leader said the other day that we have to be very careful—

Mr. Speaker: Order, please. We are getting into debate at this point.

Mr. Broadbent: Since the minister is not prepared to say what was in the proposal, and this repeats the point made by the Prime Minister yesterday, would he at least tell us what is not in the government's bargaining position? Specifically, I ask the minister to assure the House now, once and for all, that the government has no intention of giving up temporarily or permanently in any form the production safeguards in the Canada-U.S. automotive agreement?

Mr. Pepin: No, Mr. Speaker, this is still being negotiated. My son, Nicholas, who is six years of age, and even the Prime Minister's son Justin, who is just a few weeks old, know that in negotiations like these you do not give your hand away.

An hon. Member: You are prepared to sell us out.

* * *

UNEMPLOYMENT INSURANCE

CANADIAN LABOUR CONGRESS ALLEGATION OF COMMISSION BIAS AGAINST CLAIMANTS—REQUEST FOR INQUIRY

Mr. Mac T. McCutcheon (Lambton-Kent): May I direct a question to the Parliamentary Secretary to the Minister of Manpower and Immigration. Does the government plan to make a public statement in reply to the very serious charges by the Canadian Labour Congress to the effect that the Unemployment Insurance Commission is over-zealous and not neutral but, indeed, anti-claimant in enforcing the regulations, thus further delaying claims?

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): I want to assure the hon. member that useful conversations have been held with officials of the Canadian Labour Congress over the past few days just as we welcome conversations and meetings with other groups in this country in regard to the fine work—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. McCutcheon: I was afraid of something like that. I wonder if I might direct a supplementary question to the Prime Minister. In light of the unprecedented delays in administration and now this accusation of bias, will the government consider an independent inquiry into the administration of the Unemployment Insurance Commission.

[Mr. Pepin.]

Right Hon. P. E. Trudeau (Prime Minister): Not having heard the accusation of bias, I would refer the hon. member to the answer of the parliamentary secretary. If the conversations were useful I am sure they established that there was no bias or that if there was we would look into it.

* * *

FISHERIES

POSSIBLE VARIATION IN LOBSTER SEASON, DISTRICT NO. 5, NOVA SCOTIA

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Minister of Fisheries. In view of the continuing dissatisfaction and the many representations made by fishermen in the area, will the minister make a public declaration as to his intentions in regard to varying the lobster season in district No. 5 in Nova Scotia. I thank the minister for his correspondence but I think it might be useful if he would say something publicly about the situation.

Hon. Jack Davis (Minister of Fisheries): I am glad to report that the inshore lobster fishery has recorded an all-time record catch both in volume and value and that the offshore fishery which we have recently instituted is an overwhelming success.

Some hon. Members: Hear, hear!

LICENSING REGULATIONS FOR SALMON FISHING

Mr. John Lundrigan (Gander-Twillingate): Can the Minister of Fisheries give some indication when we can expect the new 1972 salmon licensing regulations in view of the alarming response from the Newfoundland fishermen last year? If he cannot give an answer now, would he mind answering the letters which have been pouring into his office on this important question?

Hon. Jack Davis (Minister of Fisheries): The new regulations were announced last year and will again be enforced this year in the same form.

[*Later:*]

Mr. Lundrigan: My question is for the Minister of Fisheries. We are aware of the regulations announced last year. The question I am asking the minister is whether he will give consideration to amending last year's regulations in view of the unanimous response of the fishermen of the province of Newfoundland? If he is not prepared to do so, would he be prepared to pick up the legal tab for fishermen who plan to violate these regulations on the advice given by certain elected officials?

Mr. Davis: Mr. Speaker, substantially those who have full-time, year-round jobs no longer can catch salmon commercially. This is the only exception that was announced last year. I do not think that the fishermen generally are against our new regulations.

VETERANS AFFAIRS

RESPONSE TO REPRESENTATIONS ON BEHALF OF FORMER PRISONERS OF WAR

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is for the Minister of Veterans Affairs. Has he had an opportunity yet since he has taken over the portfolio to examine the briefs or propositions put forward on behalf of the prisoners of war who have made various representations to his predecessors? Would he and his officials look at their position with a more enlightened approach so that we can get some action in regard to these claims?

Hon. Arthur Laing (Minister of Veterans Affairs): The answer is yes, and in addition I have had certain additional representations from a number of groups. I hope to be able to deal with them with the same degree of enlightenment as my predecessor.

Mr. Lambert (Edmonton West): I was hoping that the minister would not give us that answer because in the past these claims have had a very dim reception.

Mr. Jack Marshall (Humber-St. George's-St. Barbe): My question is for the Minister of Veterans Affairs. In view of the fact that the minister is willing to co-operate, would he allow the Standing Committee on Veterans Affairs to meet with the National Prisoners of War Association?

Mr. Laing: I think that I would be agreeable to that.

* * *

• (1140)

UNEMPLOYMENT INSURANCE

CONSIDERATION BY COMMITTEE OF SEVERANCE PAY IN RELATION TO CLAIMS

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is addressed to the Parliamentary Secretary to the Minister of Manpower and Immigration. In view of the fact the Unemployment Insurance Act is not a plan designed to serve the interests of the public treasury to the detriment of claimants, and in view of the fact that in some cases severance pay has been granted in lieu of pension benefits when a plant shuts down, can the parliamentary secretary give the House some indication that the entire matter of severance pay will be referred to the Standing Committee on Labour, Manpower and Immigration?

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, the question of severance pay is under active study by the minister at the present time. When we speak about the public interest, let us remember that in January alone $130 million in purchasing power was poured into the spending stream by the U.I.C.

Mr. Speaker: Order, please.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. Hon. members will have noticed that there are only a few minutes left before the end of the question period. We must move on to other questions. Questions should not be argumentative and replies should not be argumentative if we want to make any headway.

* * *

SHIPPING

INVESTIGATION INTO SINKING OF "GULF GULL"—OPERATION OF NAVIGATIONAL AIDS

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Transport. Will the minister confirm that an investigation has been initiated into the disaster that befell the fishing craft *Gulf Gull* which sank with the tragic loss of six lives? In view of the fact there is some question whether navigational aids were in effect at that time, could he also assure the House that navigational aids are in operation at the present time in order to prevent a recurrence of such a disaster?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, on the first part of the question, an investigation has been under way since immediately following this unfortunate and tragic incident. On the second point, I would not normally say anything of this sort except that it has been said already by the captain of the vessel, that in fact the existence or non-existence of navigational aids did not have a bearing on the unfortunate wrecking of the vessel. As to the current state of these navigational aids, I cannot give a specific answer at the moment but that would normally be published to the shipping trade. I will be glad to try to find out the information for the hon. member.

SUGGESTED WIDER DISPERSAL OF SEARCH AND RESCUE AIRCRAFT ON ATLANTIC COAST

Mr. James A. McGrath (St. John's East): I have a supplementary question, Mr. Speaker. I wonder whether the Minister of Transport is now prepared to recommend to his colleague, the Minister of National Defence, in accordance with the recommendations of the commission of investigation into the sinking of the *Patrick Morris*, the wider dispersal on the Atlantic coast of search and rescue aircraft? I am thinking particularly of the east coast of Newfoundland which, in most instances, is 500 miles away from the nearest search and rescue aircraft.

Hon. Donald C. Jamieson (Minister of Transport): Yes, Mr. Speaker. I have provided the Minister of National Defence with a copy of the report of Judge Soper and we will be having discussions on that particular recommendation.

Mr. McGrath: A further supplementary question, Mr. Speaker.

Mr. Speaker: Order, please.

[*Later:*]

POSSIBLE POSTHUMOUS CITATION FOR CAPTAIN OF "PATRICK MORRIS"

Mr. James A. McGrath (St. John's East): A further supplementary question, Mr. Speaker. It is in connection with the report of the commission into the sinking of the *Patrick Morris*. Is the minister now prepared to consider recommending a posthumous citation for the captain of the *Patrick Morris* who, in the commission's opinion, was responsible for the saving of 47 survivors?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I thank the hon. member for his letter in this regard. The suggestion is one which certainly appeals to me. I have already initiated inquiries on whether there is some route through which I can make such a recommendation.

* * *

AIR TRANSPORT

INVESTIGATION OF CRASH AT GORE BAY AIRPORT

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is also for the Minister of Transport. In view of the recent airplane crash at Gore Bay airport in which four people were killed and two people injured, can the minister say whether an investigation is under way by his department and what progress has been made in determining the causes of this disaster?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I do not know specifically about this accident. I can only say it is normal and universal for an investigation to begin immediately after a crash. Therefore I assume that such is the case in this particular instance. As to the progress that has been made, I would have to investigate.

* * *

ADMINISTRATION OF JUSTICE

RELEASE OF YVES GEOFFROY FROM ST. VINCENT DE PAUL PENITENTIARY—REQUEST FOR TABLING OF LETTERS

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, my question is for the Solicitor General and arises out of the statement he made yesterday. In his statement he referred to several letters, one written by Geoffroy, one written by Miss Cornellier, and one written by the Reverend Nickels. In light of his undertaking that if there was any irregularity or illegality he would be prepared to call a judicial inquiry to investigate this matter, would he now be prepared to table these public documents in accordance with the rules?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): First of all, Mr. Speaker, those letters are not of public interest. Among other things, there is the report of a social worker which deals with the private life of an individual, and I know the hon. member attaches great importance to personal privacy. Be that as it may, seeing he is curious to know whether or not those letters contain some scandal or other, I should be pleased to show them to him.

[*English*]

Mr. Woolliams: Mr. Speaker, may I ask a further supplementary.

Mr. Howard (Skeena): Most things in that department are scandalous.

Mr. Peters: They are too secretive most of the time.

Mr. Woolliams: Would the minister now be prepared, after his investigation into the matter, to advise us whether Geoffroy obtained a passport after his release from penitentiary and who was the guarantor of his application?

Mr. Diefenbaker: Surely the minister knows that.

[*Translation*]

Mr. Goyer: Mr. Speaker, I feel the question should be directed to the minister in charge, that is the Secretary of State for External Affairs.

[*English*]

Mr. Woolliams: Mr. Speaker, I rise on a point of order. I do not want to take up the balance of the question period, but may I serve notice that at the end of the question period I will raise a point of order. According to the rules, documents of the type I have mentioned this morning are public documents. They were referred to by the minister and should be filed, and I should like to have the privilege of speaking to the matter.

* * *

[*Translation*]

FEDERAL-PROVINCIAL RELATIONS

BRITISH COLUMBIA—SUGGESTION RESPECTING EQUALIZATION PAYMENTS—GOVERNMENT POSITION

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I wish to ask the Prime Minister a question.

Recently, the Premier of British Columbia suggested replacing equalization payments to the provinces with direct payments to individuals. I should like to know why this suggestion was dismissed as bigotry by the Prime Minister.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member was probably not in Ottawa at that time, or else he would have realized that the sequence of events was not such as he described it. I simply wonder how the hon. member would describe a person who claims that there are too many French Canadians in Ottawa. I do not know which word the hon. member would use to describe this attitude.

Mr. Caouette: Mr. Speaker, I wish to ask a supplementary.

I did not hear that statement, but I would ask the Prime Minister whether he is aware that some of our fellow Quebecers say that there are too many English Canadians in the Province of Quebec.

[*English*]

BRIDGES

VANCOUVER HARBOUR—GOVERNMENT FINANCIAL CONTRIBUTION TO CONSTRUCTION OF PROPOSED THIRD STRUCTURE

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I have a question for the Minister of Transport. Is the government prepared to make its promised contribution of some $123 million to assist the city of Vancouver with its transportation difficulties and for whatever form of transport the city council decides is most desirable?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I do not recall any such commitment. I would need more details.

Mrs. MacInnis: Mr. Speaker, would the minister refresh his memory on the details of the matter? Also, since the Minister of the Environment and the minister responsible for urban affairs have recently made contradictory statements on the matter, would the Minister of Transport set the public mind at rest with a policy statement on government policy on the proposed third crossing?

Mr. Jamieson: Mr. Speaker, I think everything that we can say on the subject has already been said.

Mr. Lewis: On both sides.

Mr. Jamieson: After all, a bridge that does not have both sides is not much of a bridge, is it?

Some hon. Members: Hear, hear!

* * *

IMMIGRATION ACT

INQUIRY AS TO AMENDMENT—SUGGESTED REFERENCE TO COMMITTEE

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I wish to direct a question to the Acting Minister of Manpower and Immigration in the hope that the answer may be more informative and less voluble. In view of the fact that amendments to the Immigration Act, which was supposed to be amended last session, do not appear on the new list of legislation for this session, has the government abandoned any intention of amending the Immigration Act to clean up the existing mess and, if so, will the government do what it can to have the matter referred to a committee for attention?

• (1150)

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, in the course of reviewing his new ministerial responsibilities, my minister is studying the Immigration Act and any suggestions that it be amended.

Mr. Speaker: Order, please. Before we call orders of the day, I believe the hon. member for Calgary North wishes to raise a point of order.

ADMINISTRATION OF JUSTICE

RELEASE OF YVES GEOFFROY FROM ST. VINCENT DE PAUL PENITENTIARY—REQUEST FOR TABLING OF LETTERS

Mr. Eldon M. Woolliams (Calgary North): I rise on a point of order, Mr. Speaker. I want to refer briefly to page 51 of *Hansard* for February 21, yesterday, where the minister said:

> On June 28, 1971, Mr. Geoffroy sought permission to marry Miss Carmen Parent with whom Mr. Geoffroy apparently had had a continuing liaison. The reason he cited to support his request was that marriage would provide a mother who would look after the needs of his three children—

The minister quoted from a letter written by Mr. Geoffroy. He may have taken the quotation out of context. We do not know what the rest of it contains. The minister quoted this part:

> At present they are being looked after by my family. However, no one is legally authorized to look out for their education or to request social assistance on their behalf.

At the bottom of page 51 of *Hansard* the minister quoted from a letter written by Miss Cornellier:

> Miss Cornellier wrote that both brothers, and I quote:
>
> "suffer from fairly serious cardiac pathology and therefore in the event of death, the children would be destitute. In this event, Miss Parent could support and take responsibility for the children, the marriage giving her the right to be their guardian."

We then come to the question of a public document. The minister referred to a letter from the Reverend J. A. Nickels, Chief of Chaplaincy Services, in which he said:

> In view of the positive nature of the reports, approval is given for the marriage.

I do not want to prolong this point, but in light of these and other statements surely the minister, having given his undertaking yesterday that if there was any irregularity or illegality he would agree to an inquiry, should now be prepared to file these documents. I refer to page 134 of Beauchesne's Parliamentary Rules and Forms, Fourth Edition, 1958, citation 159:

> A Minister of the Crown is not at liberty to read or quote from a despatch or other state paper not before the House, unless he be prepared to lay it upon the table.

That is what I am asking the minister to do, to lay these documents upon the table. The situation is similar to the rules of evidence in a court of law which prevent counsel from citing documents which have not been produced in evidence. For example, if a lawyer refers to a letter and reads one paragraph, then in the normal course of events the judge says that the whole letter must go in as evidence. The whole document has to be produced.

There is a reason behind this idea of jurisprudence. By taking a couple of lines out of context you may leave the wrong impression. If the whole document is tabled it will be before the House of Commons. If the minister refuses to disclose these letters, I ask that an order go forth that the documents connected with this affair shall be produced and be tabled now in accordance with the rules. I ask for such an order. I believe Your Honour has this right under the rules. At the top of page 135 of Beauchesne it is set forth that Your Honour has the right to make such an order, if necessary.

I might also refer to Standing Order 41(2):

A Minister of the Crown, or a Parliamentary Secretary acting on behalf of a Minister, may, in his place in the House, state that he proposes to lay upon the Table of the House, any report or other paper—

That, of course, simply states that he can do it. In this case the minister has set out a case, has said that everything is fine and nothing is wrong, has used these public documents to back up something that in my opinion smells to high heaven, and I say that members of the House, the people's representatives, are entitled to see what is behind the statement the minister made yesterday. That is what I am asking. With great respect, Mr. Speaker, if the minister was sincere in saying that if there was any irregularity or illegality he would agree to an inquiry, he should rise in his place and agree to the application I am now making. If he will not agree, let him forever hold his peace because we will have to draw our own inferences. The minister says he does not like innuendos. It is he who is guilty of innuendos.

Some hon. Members: Hear, hear!

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I realize that Your Honour was rising to make a ruling, but I wish to say a few words in support of the point raised by the hon. member for Calgary North (Mr. Woolliams).

I recognize the fact that many times members have risen and asked that certain documents be tabled and have cited the rule quoted by the hon. member. Nine times out of 10, or 99 times out of 100, the request is refused. We are always told that the test of this rule is whether it is analogous to what would happen in a court of law. My familiarity with courts of law is pretty thin, but my familiarity with things in the House is fairly wide. It seems that this is a case that meets the requirements or certainly comes very close to meeting them.

Yesterday the minister referred to a certain report and quoted part of that report in support of his argument. Indeed, he referred to a number of documents. It seems to me that this puts the minister's action within the four corners of the rule. The minister, having cited a document and having used it as part of his argument, should be called upon to table the entire document in the House. At least there is the benefit of the doubt in favour of the hon. member for Calgary North. If Your Honour does not agree with him right away, I urge that you take the matter under consideration.

Hon. Allan J. MacEachen (President of the Privy Council): As I understand it, Mr. Speaker, the hon. member has referred to papers from which the minister read excerpts yesterday.

Mr. Woolliams: Three.

Mr. MacEachen: One is a letter written by Mr. Geoffroy. Another is part of a report by Miss Cornellier in which she refers to the physical condition of two brothers in whose care the children might be placed. The hon. member says there is a third reference, but I missed that. At any rate, with respect to these two there is no dispute.

[Mr. Woolliams.]

Mr. Woolliams: The third is Reverend Nickels' letter which appears about two-thirds of the way down page 51.

• (1200)

Mr. MacEachen: Yes, and a reply from the Rev. J. A. Nickels, Chief of the Chaplaincy Services, noting that in view of the positive nature of the reports approval was given for the marriage.

No one is disputing, no one would wish to dispute, the fact that the minister has quoted from these papers. What is of interest, and what probably needs clarification from the Chair, is whether the papers quoted by the minister fall into the category of dispatches or state papers.

Mr. Lewis: Read paragraph four as well. It speaks of official papers.

Mr. MacEachen: Official papers quoted during a debate should be laid on the table of the House. It says that. That is quite all right. It might be a state paper, a dispatch or an official paper, and it seems to me that if Your Honour discovers upon consideration, now or later, that these are indeed state papers or dispatches or official papers there will be no objection on the part of the government to laying them on the table. But it is not our purpose to seek to expand the application of this particular practice beyond what has been traditional in the House.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, in order to understand why the Solicitor General (Mr. Goyer) seemed so anxious to keep the House from getting all the facts one should keep in mind what he said yesterday when he stated, as reported in *Hansard* on page 51:

With the consent of the House I could table the remainder of the statement to be recorded in the proceedings of the House of Commons.

That was an unusual suggestion, but understandable. The minister read a portion of the letters. He expurgates the documents from which he is reading in order to support the argument he is advancing. In other words, he provides a selection of what he intends to present to support his case. This cannot be justified, Mr. Speaker, regardless of any consideration. Otherwise, what one could do in this House would be to select favourable matters and expurgate those which are unfavourable.

I can understand why the minister does not want the letters produced. After all, the excuses offered by Geoffroy were false, transparently so, and should have been investigated. Indeed, I am told that as part of this letter or statement Geoffroy gave as the reason he wished to go through a marriage with this lady of estimable record, was that there would be a good mother for his children. Furthermore, that his father and mother were getting too old to look after them. In fact, the father died 25 years ago and the mother died two years ago. If the minister had revealed the whole communication he would then have convinced anyone reasonably desirous of being convinced that somebody was negligent. That is the point which is to be emphasized, Mr. Speaker. Surely parliament will not consent to be paralysed by the action of a minister who, trying to conceal and cover up, refuses to table the entire document in question.

Mr. Speaker: Order, please. This debate on the procedural point could go on for a long time. It seems to me the question is a very simple one, and I was prepared to rule on it a while ago.

I think the argument put forward by the hon. member for Calgary North is valid. The rule is clear enough. If a document is quoted in debate it has to be tabled. It was suggested by the President of the Privy Council that perhaps we are not dealing here with what is termed a state document. This has always been the difficulty in the past—to determine what is a public document and what is a private document. My thought is that if a letter, even though it might have been written originally as a private letter, becomes part of the records of a department it becomes at that point a public document and a state paper. It seems to me that the documents to which the minister has referred are part of the official penitentiary papers or are documents within the possession of the penitentiary officials of the department, and I would be inclined to think that any document of this kind which is cited in the way it was by the minister ought to be tabled in the House.

Again, in support of this ruling is the fact that if a member of the House proposed a motion for the production of these documents the documents would, in my view, have to be considered by the Chair as a type of document which ought to be tabled. I suggest that from a procedural standpoint the government cannot say that the document is a private document which ought not to be tabled. Of course, the government would not be obliged to table it at that point; there might be a debate on the subject. But when documents or letters are actually quoted in debate the rule applies clearly. I refer hon. members not only to citation 159 of Beauchesne's Fourth Edition but also to Erskine May, page 438 of the 17th edition, on which the citation is based.

In view of the long-established precedents referred to by both May and Beauchesne I have to rule that any document which is cited in this way and which can be considered to be a public document ought to be tabled.

Some hon. Members: Hear, hear!

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, the originals are not in my possession, but I shall certainly, with leave of the House, table them sometime today. Anyhow, I was prepared to make them available to the hon. member, but I quite understand that he does not wish to rely merely on his own judgment.

[*English*]

Mr. Woolliams: On a question of privilege, Mr. Speaker, the Solicitor General must have become a little upset. I am sure he does not mean it when he says I do not want to look at the documents. That was the very purpose of my asking for them.

Mr. Speaker: Perhaps I might act as interpreter at this point and say that was not my understanding of what the minister said in French. Orders of the day.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed, from Monday, February 21, consideration of the motion of Mr. Ross Whicher for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Stanfield (p. 34).

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, as the other hon. members I listened carefully to the Speech from the Throne but before going directly to the heart of the matter I want to discuss this morning I would like to recall that when earlier I asked the right hon. Prime Minister (Mr. Trudeau) a question about the premier of British Columbia who advocates payments to individuals of this country instead of equalization payments to the provinces, the premier of British Columbia was accused of being a bigot. Furthermore, the Prime Minister told me that the premier of British Columbia had stated that there were too many French Canadians in Ottawa.

Mr. Speaker, everyone knows perfectly that in 1961, for example, when the Social Credit convention was held in Ottawa the premier of British Columbia supported your humble servant who was then a French Canadian. To state that the premier of British Columbia is against French Canadians in Ottawa is to distort the facts somewhat.

• (1210)

There is another point I would like to bring to the attention of the House. In 1962, provincial elections were held in Quebec and during the election campaign, the Liberals of the Hon. Jean Lesage told whoever cared to listen, that British Columbia, under a Social Credit administration, was bankrupt. However, a few months after these elections, the same Jean Lesage went to British Columbia to borrow $100 million at 5.05 per cent interest to finance hydroelectric projects in the province of Quebec. Had the premier of British Columbia felt badly towards French Canadians, as the right hon. Prime Minister seemed to imply earlier today, he would not have approved that $100 million loan to Quebec.

This is an instance without parallel either in Ottawa or in other provinces. Nobody has ever done that except the Social Credit administration of British Columbia.

And when the right hon. Prime Minister tries to stir up linguistic or ethnic quarrels, as he did this morning, I feel that he is going to far to say the least.

At all events, Mr. Speaker, I think that the premier of British Columbia has every right as a Canadian to express his opinion in the economic field and when he states that the problem in Canada is not one of language but of economics, he is right.

Besides, the Speech from the Throne is almost a verbatim repetition of the opinions Social Credit members have been voicing for the last 35 years. The Liberals have just discovered that. This is what the Speech from the Throne had to say and I quote:

We have witnessed as well a period of economic uncertainty,

—as if that period was already behind us—

—of international economic uncertainty which affected all of the industrialized nations of the world and which has made us increasingly aware of our dependence on a strong economic base in the pursuit of our social goals.

Mr. Speaker, this is exactly what Social Credit says in British Columbia, in Alberta, and everywhere else in Canada.

I returned yesterday from Saskatchewan, where I met people from Regina and Saskatoon—both Liberal and Progressive Conservative supporters. I even met a provincial member of the NDP, which is in power in Saskatchewan, who said to me: Economy foundations and the structure of the economy have to be improved and altered if we are to reach our social goals.

Our social goals are simple: We are merely asking for a peaceful life in a country as rich as ours. Allow me to quote here Pius XI who in 1931, in the encyclical letter entitled "Quadragesimo Anno", clearly defined the goals of a properly organized economy.

This was exactly 41 years ago. I am sure the Prime Minister remembers that time, like everyone else now over fifty. Pius XI said:

The economy will be healthily constituted and will fully reach its goal only when it gives each and every individual a share of the goods which nature and industry can provide. And this share will have to be sufficient to give each and everyone at least honest affluence.

This does not mean taking from the "haves" to give to the "have-nots", but all will at least be entitled to honest affluence. This is the aim which Créditistes have set for themselves in their task of education of the masses.

Mr. Speaker, it also says in the Speech from the Throne:

Every one of us is enriched through involvement in this stimulating process we call Canada.

We are all a bit poorer than we were but the Speech from the Throne tells us that we are enriched by it.

Our goals and hopes are bound up in the restlessness and vitality of this rich land.

Restlessness! Go anywhere in Canada and you will find restlessness! Perhaps on the treasury benches, but surely everywhere else in Canada. Businessmen are faced with huge problems. The unemployed do not know where to turn to. Our families are weighed down by a feeling of hopelessness. Our young people are rebelling against a society in which they feel they cannot be integrated. So they are ready to do anything to "break" a society which will not allow them to become part of it. In short, restlessness prevails.

The Speech from the Throne then goes on to mention the vitality of this rich land. Mr. Speaker, the land is rich, but insofar as vitality is concerned, it is quite paralyzed. During the weekend, I met people from Saskatchewan who were asking me what the federal government intends to do to prevent our industries from closing. I told them that I would inquire. The government is being asked the same thing about the plants which are closing in Quebec, in the Maritimes, in Alberta and even in northern Ontario.

While the Prime Minister praises the prosperity in Canada over radio and television, the Canadian International Paper announces that it will close its Témiscamingue plant next May 30 and lay off 875 workers directly involved in its operation. At the same time, at Sudbury, we hear about an increase in the rate of employment while the International Nickel announces the layoff of 2,000 workers. SOMA, which does the assembly of Renault cars, announces the layoff of its workers and the temporary closure of its plants.

Some ten days ago, I was in Kapuskasing, where the Spruce Falls Power and Paper Co. Ltd. will, within a few weeks, substantially curtail its production to perhaps only two or three days a week. Yet the Minister of Regional Economic Expansion (Mr. Marchand) recently stated in Bathurst while addressing 5,000 people: Paper does not sell. Forget about a mill, you will not get one. What alternative solution is there? I do not know. We have been told to seek one. Let us go on searching and in the meantime the number of recorded unemployed has reached over 700,000. Those are the ones with a tag on their ear. The figures do not include the unrecorded ones as we now actually have over a million unemployed in Canada. Yet the Prime Minister mentions "the vitality of this rich land". We could indeed have that vitality if we had an economic system wherein it would be possible to create it so that each Canadian citizen might participate in the development of the vast resources of our country, of our rich land.

The Speech from the Throne goes on to say, and I quote:

We in this place have a special responsibility to help bring these goals and those hopes within reach, to make real the Canada of which our forefathers dreamed:

An hon. Member: We have here the required writing ability—

Mr. Caouette: That is right. We have a writer skilled in rhetoric, in phraseology such as we have been reading and hearing over a number of years.

• (1220)

The common inheritance has almost been completely dilapidated. That is so true that if we go back to the early days of the colony, we find people who have just settled on the shores of the majestic St. Lawrence River. But has anyone realized that today, after eight or ten generations, the land handed down from father to son is now in the hands of farmers who depend on provincial or federal farm credit programs? The land was inherited from our forefathers, yes, but the governments, through a barbaric financial system, have dilapidated the heritage bequeathed to us by our ancestors.

Mr. Speaker, in the Speech from the Throne, once again the theme of economic security is mentioned, and I quote:

Economic security is one of the most effective forces with which to counter social isolation.

Here again is an expression that was launched years ago when we were told that the economic system should be improved. There is talk of reform, of possible achievements in Canada. Yet, nothing is suggested, no means whereby to give the Canadian people the administration, the economic system that would allow them to feel completely at home.

Mr. Speaker, here is something else we can read in the Speech from the Throne:

Job opportunities must be found and income uncertainties overcome if all Canadians are to share in the richness of this land.

Mr. Speaker, every Canadian, and especially the members of Parliament, know that something must be done to solve income uncertainties. It is not enough to multiply jobs, because everyone knows that today technology is increasingly replacing human resources in work. When, for instance, building a new paper plant in the Sept-Îles area, new machinery, new technology are included, to replace people. And the era of technology is the very reason why a plant like the Canadian International Paper Company in Témiscamingue, in my constituency, is closing down. They did not update their facilities in time.

But had they modernized them, there would of course have been lay-offs. It is therefore a moot point whether one should reject progress and new technology, reject automation which is the substitution of machines for men. If men are to be replaced, should that be determined now? I reply in the affirmative. Should technology work to the detriment of people or in favour of human beings, of Canadian citizens?

Mr. Speaker, if the purpose of advanced technology is to penalize people, we are in the right system as that is just what is happening now. But if we recognize that machines should give men more freedom, that they should serve human beings, it is imperative that we organize a financial system wherein Canadians have access to the products of automation. That will be showing respect for human beings, and without disdaining progress and science.

Such is the solution: restore some balance between money and our material possibilities.

Mr. Speaker, the Speech from the Throne states that we must "make sure that as many jobs as possible are available." The government expresses pious wishes for which we have no need. We have seen that the federal government has given a $45,000 grant to develop a snowmobile track, one of $50,000 to cut branches in order to create employment. We are told that some workers, at 50° below zero, will be cutting branches along highways during a month and a half to create jobs. When spring comes, the branches will evidently be as high as they are now, but it will be pointed out that jobs were created.

This reminds me of the two unemployed who were discussing near a gravel pit where a steam-shovel with a capacity of 2 or 3 yards was quickly loading trucks. Both men had a small shovel. One said to the other: "Do you know old boy that this shovel can replace 50 men like you and me? This is automation. If we took it away, we could hire 50 men. Let's put it away in the garage as certain municipalities did with their ploughs and tractors so they could hire some unemployed and make them shovel snow. And the other asked: "Why?" The first guy answered: "To give jobs to more people" Then, the other replied: "In that case, it would be better to use 250 men working with teaspoons. We would do the same job as the steam-shovel or 50 workers with ordinary shovels if we used teaspoons."

You will say it is ridiculous. Well, the present system is that stupid, Mr. Speaker. Technology and machinery are discarded, we are afraid of them because we know that they are prejudicial to workers. And instead of putting machines at the service of human beings, the reverse is being done. When machines are operating, men are suffering. So that men may survive, science, progress and machines are being put aside.

Mr. Speaker, job creation and price stability are the result of a policy which brings about an economic climate that can be beneficial to business and other sectors of the community.

Creation of jobs. This government has stated: We have created many jobs. According to statistics, this also had the effect of putting untold numbers of people on the unemployment roll.

The number of unemployed has increased by 135,000 over one month. As I said a while ago, there are close to 700,000 unemployed and we are told that it could be worse. That can improve a little, thanks to winter works, from now until the next election. In fact, I said that the election would be on June 26, 1972 and that I had no direct line with the Holy Ghost nor with the Prime Minister. This is a forecast.

Mr. Speaker, from now until election time, these jobs will continue to exist, but once the election is over, we will suffer again from such an economic slowdown that, by next fall, we will have one million or perhaps more unemployed.

When we are in this House and consider all these facts, these figures and these statistics, we find out that all along the Progressive Conservative members have been decrying the Speech from the Throne without suggesting anything concrete.

• (1230)

As usual, the New Democratic Party blames the Americans. They claim that the Americans are responsible. For my part, I say that the fault does not lie with others, but with ourselves, if things are not going right.

That is why, Mr. Speaker, before I run out of time, I now move, seconded by the hon. member for Abitibi (Mr. Laprise), the following amendment:

That the amendment be amended by striking out all the words after "economic deprivation" and replacing them with the following:

"resulting from the absence of any monetary reform tailored to the needs of the Canadian society."

Mr. Speaker, for many years now, we have been advocating monetary reform. Many find this amusing, but I think that today more serious consideration is given to what the Créditistes recommend. It is unfortunate that so much time is needed to make people understand and to make them stop and think. Those who used to laugh when Social Credit was mentioned did not know why they were laughing. I say to them: It is all very well to laugh, but one must know why. So, study Social Credit and if it is funny, well then go ahead and laugh. If it is not amusing, try at least to act in a responsible manner and to consider the solution that we propose.

We speak today of the use of the Bank of Canada. I was happy recently to hear the Quebec Premier speak about the famous James Bay project and to state on television that he would probably ask the Bank of Canada to help finance this project.

Shades of Social Credit, Mr. Speaker, somewhat akin to what we have long been advocating and suggesting. In fact, the Bank of Canada is empowered by law to make loans to the provinces. It has this power, but no province is taking advantage of this. I have before me the Canada Yearbook for 1970-71. Some sentences have been changed to please those who draft this report.

Mr. Speaker, mention is made of the Bank of Canada, and on page 1224 we read the following:

The Bank of Canada may make loans or advances for periods not exceeding six months to chartered banks, or to banks to which the Quebec Savings Bank Act applies, on the pledge of certain classes of securities. Loans or advances may be made under certain conditions and for limited periods to the Government of Canada or of any province.

To any province! Mr. Speaker, the Bank of Canada has the right to do it. It is said "for limited periods". It is not stated for how long. For instance, "six months" was mentioned previously; it was written in full. The words "six months" were deleted. I am eager to see mentioned the same time limit as is granted to India, to South American countries, to Africa, to all the countries of the world, namely 50 years plus 10 years' grace, a total of 60 years. If the Bank of Canada were authorized to make loans to provinces, municipalities, school boards and to the federal government no nationalization whatever would have to take place. Chartered banks would not be nationalized. The public sector of our economy would be financed without interest by the Bank of Canada.

Forty-eight million dollars were recently lent without interest and for 60 years by Mr. Paul Gérin-Lajoie, the federal representative. Sixty years from now, the Prime Minister will be 113, he will no longer be here but India will start repaying us.

Mr. Speaker, while Mr. Paul Gérin-Lajoie was granting India a loan of $48 million for 60 years on behalf of Canada—and it should be noted that we have already lent India nearly $1 billion, free of interest—the Premier of the Province of Quebec, Mr. Bourassa, was in the United States to borrow $75 million, at 9.2 per cent interest over 25 years: Twenty-five years from now, we shall have paid more than $200 million in interest only and we shall still owe all the principal, or $75 million.

Mr. Speaker, Mr. Bourassa does not come back from the United States with a wheelbarrow full of US dollars, but with a small slip of paper that is known as a promissory note and which has the figure $75 million written on it. The note is signed by Robert Bourassa and endorsed by the Province of Quebec. If Mr. Bourassa had decided to come and meet our good friend Mr. Louis Rasminsky in Ottawa, the Governor of the bank of Canada, and ask him to write $75 million in his ledgers, would this not have had as much value as 75 million US dollars?

Mr. Speaker, the United states do not base their $75 million on their own assets, on their own wealth, but on the development of Hydro-Quebec. those $75 million are guaranteed by our natural resources. They just put the figures down there. Not one quarter, not one nickel comes across the border. Those are figures. But why do we not put down ourselves our own figures, in Canada? That would be a way to get control over the Canadian economy. We would then have control over our credit to develop Canada, to develop our natural resources.

[Mr. Caouette.]

Often I hear the NDP members speak about "American control" and it seems to me that they are right. However we must find something to replace it. We will not become "masters in our own house" by emptying Canada in order to pay back loans but by using our financial resources. If the Americans can make our Canadian credit, why are we not able to make our own credit? And it happens often enough that the Americans—they are not stupid, you know; they are rather clever—are financing our own development with our own credit and afterwards they get the interest from our credit. One develops something with Canadian credit that belongs to the Americans! That is the fantastic blunder of the present time and of the present economic system.

Mr. Speaker, the Créditistes still maintain that private industry is an important part of our economy. Our economy is made up of three sectors: private enterprise, personal initiative and the public sector. Private enterprise will keep on developing under Social Credit as it is now doing thanks to bank credits and to credit unions, finance companies, etc. But the public sector needs to be financed by the Bank of Canada, and this without interest.

• (1240)

The Speech from the Throne, which is almost a word for word repetition of all the Speeches from the Throne I have heard since I came to this House 15 years ago, deals also with economic security.

Mr. Speaker, in order to attain economic security, all factors, namely those of production and of distribution, must be considered. We have everything; production is not a problem any more in Canada. To tell the truth, legislative measures are being put forward or passed at the present time to prevent producers from producing such or such a commodity, in an effort to control production, because there are too many products of all kinds in the fields of clothing, automobile and farm machinery. To give you an example, when I was in Brantford, last fall, the Massey Ferguson yards were overflowing with pieces of farm machinery piled one on top of the other five or six high. We have too much of everything not because people do not need those goods but because they have no money to buy them.

As for economic security, we will have it only when the monetary system is made to serve the people, considering the existing products. The government tries to reform anything and everything. In fact, it tries to reform agriculture, industry and commerce, all departments, all economic activities in Canada, except financial activities.

As to the Bank of Canada's monetary activities, they are not to be discussed. That matter is not to be brought up. I was reading yesterday the speech delivered by my good friend, the hon. member for Abitibi (Mr. Laprise) who was quoting the ex-Postmaster General, the hon. member for Duvernay (Mr. Kierans), who stated and I quote:

—we must stop believing that it is essential for Canada to sell its natural resources.

He was not saying the same thing ten years ago, but he realizes today that the philosophy that is being explained and presented to us by the government, namely that if we want to live decently in Canada, we must export as much as possible, goes against common sense.

For our part, we say: Let us use our credit to develop Canada to the utmost and, in so doing, we shall find it must easier, after taking care of our people, to provide assistance to needy or underdeveloped countries in the world. Then, we could logically help them as much as possible.

But let us start by providing the Canadian people with an economic system that will guarantee them economic security. This is the reason why, over the weekend, in Regina, we put forward a well-considered, realistic program, not made up of promises. We suggested to replace the present social welfare system, which fosters laziness and fraud, with a social and economic security system that will stimulate personal initiative and prevent no one from working or producing more.

If someone earning $5,000 received a yearly supplement of $2,000 or $3,000 this would mean an incentive instead of a penalty. At the present time, many things are taking place. Saturday night, on television, I dealt with the problem of a family on welfare. A mother of seven children is the recipient of social welfare allowances of some $235 per month. The federal government pays half the amount, that is $117.50. That mother calls at the social welfare office and asks for additional aid. She is told that according to government standards and criteria, she cannot be given more than $235 per month. True, she has no rent to pay, but, for instance, she has to meet the needs of her seven children for clothing and food and also to care for herself.

Now, she can no longer make it. Someone tells her: Madam, find a home for your children with strangers, and then, you could work and earn a living. In fact, that is what she does. She finds homes for her children here and there in Abitibi. As soon as this is done she starts getting $60 per child each month from the social welfare office. She gets $420 for her seven children and $20 each month as pocket money for each of them—$140 more. Therefore she receives $540 in addition to the clothes supplied by the social welfare people. This mother would have lived like a queen with $420 per month, not $540. She would have kept her children and would have lived like everybody but social welfare officials cannot do anything for her unless her family is divided, separated, disseminated. Then and only then can they enter the picture.

With the economic and social security system we are advocating this mother could have stayed home with her children to see to their education, their well-being, etc. This is the ever recurring question. We are always wondering: Where will the money come from?

Mr. Speaker, we seldom wonder: Is Canada in a position to guarantee economic security along with individual freedom to all Canadians? Do we have enough natural resources to meet the needs of the whole population? No one doubts that, we are sure of it.

If Canada enjoys great resources, if it is true that we have a "rich land" where only vitality is lacking, we Créditistes are offering this vitality so that we may live in peace and harmony on this "rich land".

[*English*]

Mr. Mark MacGuigan (Windsor-Walkerville): Mr. Speaker, philosophical perspective is the exception rather than the rule in politics, and members of the House will therefore feel a sense of gratitude that the Throne Speech this year not only engenders reflection on some of the basic philosophical problems of our age but also clearly indicates that the government has a profound understanding of these problems and a coherent plan for meeting them. The key passage in this philosophically perceptive and beautifully integrated speech is to be found at pages 1 and 2 of *Hansard* of last Thursday. It reads as follows:

> In a period dominated by bigness, in an increasingly impersonal social system, one of the major challenges facing government is to remove the impression of isolation which so often surrounds men and women, depriving them of their sense of worth, of accomplishment, of fulfilment, and removing from them their identity as individuals.
>
> Isolation takes many forms in Canada—physical distance, social stigma, economic deprival. In each of those forms it represents a degree of rejection, of exclusion, of estrangement. This country fails in its essential purpose if it does not ensure that its most precious resource, human talent, is not wasted away. Our challenge is to remove the barriers that create isolation, to permit each Canadian to detect—even if not always able to fulfil—his own potential, to ensure that his image of Canada is one of promise and compassion.
>
> Every one of us is enriched through involvement in this stimulating process we call Canada. Our goals and hopes are bound up in the restlessness and vitality of this rich land. We in this place have a special responsibility to help bring these goals and those hopes within reach, to make real the Canada of which our forefathers dreamed: a land so large that some of it will remain always serene and unspoiled; a society which believes in the dignity of every single individual; a community which husbands its resources and shares them justly among this generation and those to follow; an enterprise which permits and provokes each Canadian to contribute his skills and his talents.

As the Parliamentary Committee on the Constitution travelled across Canada we found the isolation of which this passage speaks as well as a powerful desire to participate in the mainstream of Canadian life.

Sometimes the feeling of isolation springs from a general concern about the magnitude of today's problems. I have just received a letter from a constituent, Mrs. R. M. Langs, writing on behalf of the United Church Women of Chalmers Church in which she says:

> We are concerned with the fact of the apparent helplessness of individual persons against the problems the world faces.

She lists several of these problems, the problem of industrialization, the problem of energy resources and the problem of Colonial Africa. Then she asks "what can the individual do?"

Sometimes the feeling of isolation comes from a sense of frustration in dealing with problems of a more local nature. Always it involves an apparent condition of powerlessness. The solution, as the throne speech suggests, has to be found, negatively, through removing the barriers which create isolation and, positively, through encouraging and even creating involvement in the public processes in Canada and in decision-making processes of all kinds.

What I want to do this afternoon is to relate two problems which concern my part of Canada, the Windsor area, to the general theme of the throne speech. The first of these problems is economic, the second cultural.

First is the economic problem. Windsor is situated at the tip of a thumb of land surrounded on two sides by water and on a third side by the United States, with the nearest large Canadian city more than 100 miles away. There we

live and work, some 250,000 of us in the greater Windsor area, facing some four and a half million people in the greater Detroit area. Our feeling of isolation from the geographical and population points of view is thus readily understandable.

Our situation makes us highly sensitive to changes in our economic relationships with the United States. Since Windsor contains substantially the whole manufacturing operation of Chrysler Canada as well as large parts of the manufacturing operations of Ford and General Motors, plus many automotive plants and automotive-related businesses, Windsor residents are understandably worried about the future of the auto pact.

• (1250)

There is no reason for their fears—certainly not from the words or actions of the government—other than the necessary secrecy in the continuing negotiations. I myself have publicly stated that there is no danger that Canadian jobs or interests will be bartered away by the government for the advantage of other sectors of our economy. This is my firm belief and it is the firm commitment of the government. I believe it is worth underlining here the statement of the Prime Minister (Mr. Trudeau), made in the Speech from the Throne debate last Friday, that Canada will be as firm in the defence of our trading interests vis-à-vis the United States as it was in the currency revaluation controversy several months ago, and that Canada's trading posture with the United States will be varied only to the mutual advantage of both countries and not to the unilateral advantage of the United States. Those were welcome words to my constituents, Mr. Speaker.

The second problem has to do with culture, and particularly with television. Windsor has a single VHF television station, CKLW-TV Channel 9, and no UHF station.

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

Mr. MacGuigan: Certainly.

Mr. Broadbent: Mr. Speaker, is the hon. member aware that the government of Canada actually changed its negotiating position on the Canada-U.S. automotive agreement between last December and January of this year? Is he not also aware that the original intent of the Canadian government was to give up the production safeguards in the Canada-U.S. automotive agreement? Further, is he not aware that the government has not yet commited itself to maintaining the production safeguards in the Canada-U.S. automotive agreement? If all the implied answers to my questions are in the affirmative, on what does the hon. member base his assurance that Canadian jobs, not necessarily immediately but six months from now or even two or three years from now, will not be lost as a result of current negotiations?

Mr. MacGuigan: Mr. Speaker, the hon. member for Oshawa-Whitby (Mr. Broadbent) had made it his hobby in the last few months to predict what the government will or will not do in the secret negotiations proceeding with the United States. So far, all his predictions, including the timetables which he has advanced several times, have proven wrong.

[Mr. MacGuigan.]

Mr. Broadbent: That is absolute and utter hogwash. Why not answer the question?

Mr. MacGuigan: Therefore it seems to me that the most important thing for us to know with respect to these secret negotiations is the position that the government of Canada has enunciated in this House and publicly across Canada.

Mr. Broadbent: It has not done that.

Mr. MacGuigan: The second problem I wish to deal with has to do with culture and, as I mentioned, particularly with television.

Mr. Broadbent: I hope the Windsor *Star* picks up the hon. member's answer. It was shameful.

Mr. MacGuigan: Windsor is within receiving distance of some ten United States VHF and UHF television stations. As I said, there is only one VHF television station in Windsor and there is no UHF station. In such a situation it is obviously important for a strong Canadian presence to make itself felt on the one Canadian channel available in Windsor.

In June, 1970, the Canadian Radio-Television Commission approved a change of ownership in CKLW-TV. The station was purchased from its previous American owners by Baton Broadcasting Limited, which became 75 per cent owner of the station; the CBC, through its subsidiary, St. Clair River Broadcasting Limited, became the owner of 25 per cent of the stock of the television station. An undertaking was given by the CBC that it would take over the entire ownership of the station within five years. In all these negotiations the CBC appeared in the position of a reluctant bridegroom. It was a shotgun marriage, with the CRTC holding the gun to the head of the CBC. Of course, we in Windsor are very pleased that the CBC has acquired a one-quarter interest in the station and has undertaken to take over ownership of the station completely three and a half years from now.

May I call it one o'clock, Mr. Speaker?

The Acting Speaker (Mr. Laniel): Does the House agree to call it one o'clock?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Laniel): It being one o'clock I do now leave the Chair. The House will resume at two o'clock.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. MacGuigan: Mr. Speaker, in the 10 minutes or so I had before the break at one o'clock, I talked about the philosophical orientation of this year's Speech from the Throne. I also dealt with the first of the two issues which I had raised from the local Windsor point of view as fitting in with this orientation. That was the economic problem. I had just begun talking about the cultural problem. I had

set out the basic situation, with 10 or 12 television stations in the Windsor area, of which only one is a Canadian station. That station is 75 per cent owned by a private broadcaster and 25 per cent owned by the CBC, with the CBC under obligation to take full ownership of the station approximately three and one half years from now.

The matter about which I most particularly want to speak is the decision by the CBC in mid January not to allow the "Whiteoaks of Jalna" series to be shown over the Windsor television station until some nine months after it is seen in the rest of Canada.

An hon. Member: They are not missing anything.

Mr. MacGuigan: The hon. member suggests that the people of Windsor are not missing anything. He may be right. I have not had the opportunity of seeing the programs. However, I would like the people of Windsor to make the decision. It is the people of Windsor who are being denied this opportunity.

I had occasion to raise a similar subject in the House last April 5. My remarks can be found at pages 4937 and 4938 of *Hansard*. At that time the problem was that channel 9 in Windsor had been forced to withdraw the program "Rainbow Country" after 22 of 26 episodes had been shown, because the CBC, which was the Canadian distributor and co-producer, had entered into an agreement with American producers which banned the series from being shown in Windsor. This was to enable the CBC to sell it at a higher price for showing in Detroit. There had been an earlier incident in which the program "Audubon Theatre" had to be withdrawn for the same reason after four episodes had been shown.

As I mentioned at that time, there were certain ironic aspects of this decision. For example, after entering into a formal agreement not to allow that series to be shown in Windsor, the CBC was not sufficiently alert to prevent most of the episodes from being shown before they realized what was happening. Similarly in the Jalna case, I understand the CBC nationally advertised that Jalna would be shown the following Sunday. The advertisement actually appeared in large part on channel 9 before it was realized this was a mistake, and it was cut out.

These are minor aspects of the problem. The real issue is that the decision by the CBC management not to allow the "Whiteoaks of Jalna" series to be shown over CKLW-TV Windsor until nine months after it has been shown elsewhere in Canada is a most reprehensible one. It does, admittedly, represent a small advance over previous CBC decisions in accordance with which series produced by the corporation were permanently denied to Windsor viewers. In this case the delay was for a nine-month period.

• (1410)

However, there are many reasons for insisting that any difference at all in treatment is unacceptable to the people of Windsor. First, as Canadian taxpayers they are entitled to the same service from Crown corporations as are people elsewhere in the country. In the present context, this means they are entitled to have the same programs made available to CBC-affiliated television stations which serve them as are other taxpayers across the country. The series to which I have drawn attention is a totally Canadian series based on books by a Canadian author about a Canadian family, and was produced at a cost of $2 million to the taxpayers of Canada. Yet the taxpayers of Windsor are being discriminated against inasmuch as they do not have the right to see this program at the same time as other Canadians.

There is a second reason for saying that the CBC has a special duty toward channel nine and the residents of Windsor. It is based on the fact that the CBC is itself the owner of the T.V. station to the extent of 25 per cent, and is to become the full owner in three and one half years time. Thus, channel nine is not in the position of being simply a regional affiliate as stations elsewhere in the country may be; it is an affiliate which is already partly owned by the corporation, one which the corporation has undertaken to purchase completely.

A further reason is this—and it is a somewhat ironical one: the policy being followed is not even good business for the CBC. The fact is that Detroit itself accounts for only 2.4 per cent of the total United States market in terms of T.V. households, and of this fraction the Windsor station is able to attract only a small percentage of viewers. During prime time only 3 per cent of all the T.V. households in the Detroit area are attracted to watch the Windsor station. This means that less than one-tenth of one per cent of the total United States market is affected by the showing of any series on CKLW-TV.

This was strikingly shown by the fact that when the BBC program on Henry VIII was shown by channel nine in Windsor it was able to attract only some 4 per cent of the television households in the area, whereas when the same program was shown over the United States network some months later in July, at a time which is not normally considered to be the best viewing time of the year, it attracted 13 per cent of the T.V. households. So even when the same program is shown by a United States station in the area it is able to attract something like three times the number of viewers; the U.S. station has three times the drawing power.

Again, the fact that the BBC was able to sell its series on Henry VIII to a major United States network despite the fact that it had previously been shown by the Windsor station is evidence that the argument used by the CBC, that they cannot make a profitable sale to the United States if programs have already been shown in Windsor, is not a sound one.

Apart from this, the CBC has a cultural duty to discharge. I wish to approach this point by referring to an answer which the CBC gave on April 5 last through the Parliamentary Secretary to the Secretary of State as reported at page 4938 at the time I raised the question concerning the other series which was denied. The CBC reported through the parliamentary secretary:

> In general, full network programs produced by the Canadian Broadcasting Corporation using its own facilities are released to all stations of the English television network, including affiliated stations such as CKLW-TV Windsor. However, the CBC has accepted the practice for over ten years of not including its Windsor affiliate in the initial scheduling of some of its programs for the following reasons—

The first situation mentioned relates to television series produced in the United States and acquired by the CBC

from a Canadian distributor for full English television network release. This is not applicable to the case we are considering. The excuse of the CBC in that case is that the rights are controlled in the United States.

The second situation mentioned relates to television series produced in Canada and acquired by the CBC from a Canadian distributor for full English television network release. Again, the CBC puts the blame on someone else. The Corporation says that the Canadian producer normally tries to insist on arrangements being made to eliminate Windsor and thus to maximize profits from a United States sale. The third situation the CBC mentions concerns television series produced in Canada and co-financed or co-produced by the CBC. The Corporation says that in this case the CBC acquires Canadian television rights but usually defers its Windsor rights. The report added:

In order to attract production capital it is essential that United States market possibilities be enhanced. In the view of the CBC the encouragement of private production companies is an important consideration in the development of Canadian content.

The implication of this recital seems to be that these are the only situations in which the Windsor station would be denied CBC programs. But this is not so, because in the instance I am raising, the series represents a wholly CBC production costing $2 million of the taxpayers' money. This is not one of the cases which the Corporation mentioned. It is much more extreme than any they have attempted to defend in the past. Yet the same policy has been followed as was followed before. The explanation given is completely untenable—the encouragement of private production companies. No private production company is involved in this case.

In any event, the priorities and responsibilities of the CBC cannot be justified in commercial terms alone. The Corporation's charter, established by this parliament, assigned to that body certain broad objectives; one thinks in general terms of the promotion of Canadian culture. The Corporation is certainly not living up to its obligation to support Canadian culture in the Windsor area.

I have sponsored a private member's notice of motion requesting that this policy of denying or delaying the showing in Windsor of television programs in order that they may be sold more profitably to networks in the United States be referred to the Standing Committee on Broadcasting, Films and Assistance to the Arts. I hope I shall have an early opportunity to discuss this matter in the House and that the subject will be referred to the standing committee in order that an investigation of the situation can be made.

In particular, the people of Windsor ought to know whether the CBC intends to change its policy when it becomes the full owner of the station. President Davidson made a statement to the effect that at such a time the CBC would treat the Windsor station in the same way as all other stations. This is something I should like to have on the public record.

I think the citizens of Windsor would also be interested to know whether the border protection clause normally attached to hockey programs in Canada is to be discontinued. As a result of such a clause Windsor is presently being denied the opportunity to watch most games because of the refusal of the NHL to allow these programs to be shown within a certain radius of Detroit. The people of Windsor will be interested to learn whether or not at this point the CBC will take a firm line with the NHL and say that if this organization will not allow such programs to be shown in Windsor they will not be shown anywhere else in Canada.

I believe the people of Windsor and the Canadian public generally would also wish to know why the CBC has decided to wait another three and one half years before fulfilling its obligations to the Windsor area. Why does the Corporation not want to change its policy right now?

Another thing we want to know is this: For how many pieces of silver are the rights of the citizens of Windsor being sold to the United States? In the past the Corporation has tried to conceal this information, but I think the people have a right to know just what profit has been forthcoming in consequence of this decision to deprive Windsor of its share of Canadian cultural opportunity.

• (1420)

I think this whole question is one not only for the CBC but also for the CRTC and the government. There is a passage in the Speech from the Throne, reported on page 3 of *Hansard*, which reads as follows:

Still another form of isolation springs from indifferent communications services. It is a matter of concern to the Government that at this moment many communities do not receive the national broadcasting service—

I suspect, Mr. Speaker, that the Windsor area was not in mind at the time that this passage was written, but it seems to me to apply very much to the citizens of Windsor. The service the CBC is giving the citizens of Windsor is indifferent in every sense. It is indifferent because the CBC appears to be indifferent to the interests of the people of Windsor.

In conclusion, I merely wish to say that the Speech from the Throne has effectively analysed the problem of isolation and the right remedies to correct that problem. May I express the hope that the television isolation in Windsor will soon be seen as part of the total Canadian problem.

Mr. Cliff Downey (Battle River): Mr. Speaker, may I say initially what a pleasure it is to be able to participate in the Throne Speech debate. I have always found such debates very interesting because they give one the chance to listen to the problems that arise in the different ridings across the country, an opportunity that many of the other debates held in the House do not afford.

I should like to congratulate the mover and seconder. I know the mover rather well. There have been many times when I have admired what he said and certainly we all appreciate his remarks, just as we appreciate the remarks of a lot of other government members. However, it is unfortunate that when the occasion presents itself these hon. members do not vote in accordance with their stated principles, and I am afraid this is to the detriment of democracy.

The prime areas of concern in my part of the country I do not think are that much different from those of any other area of Canada. Inflation is one of the major causes of serious concern. The agriculture industry across the country has not kept pace with the rising prices that have been so common both in industry and in labour in gener-

al. Agriculture has been in the unfortunate position of being unable to price its products. In many cases, the general cost of services has been a prime difficulty in the past few years. Although the price of agricultural produce has not risen, the cost of services on the farming scene has risen very greatly.

During the debates we have had on agriculture and on bills presented to the House during the last session—I have in mind in particular the stabilization bill which died on the order paper—no indication was given that the price of the farmers' products would rise. There was talk about stabilizing incomes, but the stabilization of income during an inflationary cycle can be of very little use. To adopt the expression so often used by the member for Mackenzie (Mr. Korchinski), all you are doing is stabilizing poverty.

We have gone nearly four years as a parliament so that we know an election is not far away. In view of this, I think it is useful to see just what may lie ahead of us and to note the attitude of the Prime Minister (Mr. Trudeau) on legislation he may bring forward for the agriculture industry.

I should just like to quote a statement from the *Western Producer* concerning a speech the Prime Minister made not too long ago. It reads as follows:

> Agriculture would not be able to meet the challenge of the future if it did not become economically independent, he added.
>
> "Like any other industrial sector, it has to operate and will have to operate without subsidies, without outside aid, as a mature organism that has developed its full potential."
>
> It was becoming less and less acceptable that consumers bear the cost of farmers' deficiencies, he said.

When the Prime Minister speaks in those terms it seems he regards the agriculture industry as a vast, subsidized segment of our society, as though agriculture were the only recipient of the largesse of government. May I draw to the attention of hon. members the passage of the textiles bill which afforded certain protection to that industry. Then, there was the write-off of $70 million back taxes owed by the Ford Motor Company, as well as the $6 million given to Proctor and Gamble to establish an industry which was already in over-production across the country. The government subsidizes one plant here and closes down a similar plant in another part of Canada.

This kind of action costs taxpayers' dollars. The agriculture industry receives only a very small percentage of the money the government spends on subsidies and to say otherwise is to create a false impression. It misleads the taxpayers and voters, and the use of this tactic is a continual disappointment to us. It is this sort of thing that has led to the west sometimes feeling it has only a colonial status vis-à-vis the east. Certainly, the western provinces have definite cause for some concern in this respect.

For the future, I think we need to examine programs that parallel to a certain extent United States programs to assist marketing of grain. Under these programs a floor price is put on grain, particularly feed grains, and the producer is given the option whether to sell to the government at the floor price or to put his product on the open market. Certainly, I think some drastic changes need to be made in the present marketing system, particularly in regard to the domestic feed grain marketing arrangements in Canada today.

Grain handling is a problem that is ever with us and is of particular concern to the western provinces. In answer to a question I asked during the question period yesterday, the minister in charge of the Wheat Board indicated, when I questioned him about difficulties that were arising in the port of Vancouver, that things were going well. However, this is not the impression received by neutral observers. I am not talking about political observers but neutral observers at this port facility. Now, nobody blames the minister for the fact that it snowed and the railway lines were blocked. The fact that strikes intervened on many occasions was not his fault and nobody blames him for that. The major cause of concern is the fact that he is not willing to admit having tried a no-storage policy at our terminal port positions and that it is not working. We must have the assurance that when strikes occur at these port facilities or when the weather is bad, as it always is during some part of the Canadian winter, this grain will move.

• (1430)

I should like to read a few excerpts from a report issued by the Palliser Wheat Growers Association. Last week a group of members went to investigate the tie-up at the Vancouver port facility and here is an excerpt from their report:

> With nearly 20 ships sitting idle in Vancouver Harbor, the Palliser members were told by an export company official that the estimated present backlog of 20 million bushels of wheat will not be caught up with until July.
>
> The National Harbors Board gave the farmers a tour of the waterfront where the Palliser members saw idle ships and nearly idle grain terminals.
>
> The lone ship at the Saskatchewan Wheat Pool terminal was fittingly named the *Heroic*. It has been in the port a full month, trying to scrape together a full load of grain from the half dozen grain terminals.
>
> About 1.8 million bushels of exportable wheat is now in terminals (as of Friday) compared to the almost 20 million needed to fill waiting ships.
>
> Meanwhile, the farmers were told by the export official that Canada is not making new sales, because it is going to be too busy trying to catch up on the old sales.

Yesterday in the House the minister in charge of the Wheat Board told us at great length how well sales were going, that everything was moving normally and how many boxcars reached port in the last two days. But the Palliser Wheat Growers Association is a neutral observer with no political axe to grind. Perhaps I could be accused of that or even the members to my left, but certainly the Palliser Wheat Growers Association could not be accused of having a biased opinion of what is going on at the port facility. Referring to comments of Palliser president Walter Nelson, the report continues:

> He said discussions with a representative of the exporting firm, Cargill of Canada Ltd., supporting Palliser's contention that the Canadian Wheat Board grain transportation policies are wrong.

And later:

> The Cargill official confirmed Palliser's claim that idle ships are having a harmful, two-fold effect on Canada's grain industry—first, shipping companies protect themselves from long delays by charging higher freight rates, and second the port, with a poor reputation in the matter already, is getting a blacker international name and may force Canada to sell wheat even cheaper than the present low prices to attract buyers and shippers.

That is the situation as it is now. The report continues:

Mr. Nelson said another point coming to light on the Vancouver visit is that wheat board grain transportation mismanagement is leading to rail shipments of rye, flax and rapeseed being cut while the backlog of wheat is being made up.

That is the situation with regard to transportation as it was last week at the Vancouver port terminal. Yesterday, the minister told us how well things were going and last night the Minister of Agriculture (Mr. Olson) spoke in the same vein in this debate—everything is fine but we have had a little snow trouble. However, that does not excuse the fact that the grain was not in storage to take care of this situation. I suggest to the minister that having found the discrepancies in the present policy, we now need to ensure that the terminal facilities are full. If anything we should increase the storage facility at the terminal positions.

There are indications across the country that we have actually over-sold our transportation capability in regard to grain. It would not matter if Canadian farmers produced and sold a billion and a half bushels, the transportation facilities could not move it to salt water. The railroads need more locomotives and a better servicing plan for them in order to keep them moving. An improved braking system is also needed. The best brains in the country should be looking into this and perhaps some of this so-called subsidy money should be used.

We are told that one hopper car costs in the neighbourhood of $20,000. If the railroads cannot provide enough of this type of transportation, then maybe we should build them ourselves and rent them to the railroads. If we are to keep pace in the area of transportation we must look at our bulk port facilities and bulk carriers. Today, we are using the same type of boxcars and grain handling facilities that were used 50 years ago. The equipment must be able to cope with the situation today if it is to bring prosperity to Canada by enabling us to get the grain to market in greater quantities. We need such a system if we are to improve our economic position and our balance of payments position.

This government has indicated that it is emphasizing marketing, but some of us doubt whether this is actually being pursued and a priority placed upon it. There is a feeling that some of our embassies and trade commissions are not staffed by people well qualified as salesmen. I think that the day of the pleasant discussion at the cocktail hour has gone, and that every individual in our embassies and trade commissions should be assessed in regard to their understanding of the total Canadian trade picture and their capabilities as salesmen. This is our bread and butter in Canada but we seldom see any proof of their salesmanship or of what they are doing in regard to the marketing of grain. I should like to read into the record a letter which I have here. The name on the letterhead is Spanish, Central de Contractiones Commerciales, S.A. This is an agency which trades in grain on an international basis. The letter reads:

• (1440)

We have been in contact with the Alberta Wheat Pool, the Saskatchewan Wheat Pool, XCAN, and various other organizations in your country, and have never been able to get so much as a firm offer from anyone. We have written over a dozen letters to XCAN since January and they never have answered any of them. We have spent much on phone calls to them but to no avail.

In order to do business in Mexico, as well as in Canada, you must have a local agent. We were more or less promised the agency for XCAN but nothing ever came of it.

The main buyer for the Mexican Government is CONASUPO, who has bought over 220,000 MT of wheat since September. The prices have been in the range of $63 to $72 per MT. All has been sold by U.S. private companies principally Continental Grain and Cargill.

We have met personally with at least two of your country's trade missions, one from the Canadian Grain Council and another from the Rapeseed Association. From our point of view their visit was not useful because they have not taken advantage of the knowledge and contacts gained.

If you decide to come to Mexico, please plan to stay long enough to really study our market and learn the intricacies of doing business with a strongly centralized government.

Then, the letter continues. This is an indication, as we have long suspected, that our trade organizations in Canada are not going all out in an effort to see that Canadian grain is marketed. Surely, it is nothing short of disgusting that some of these organizations do not answer their mail, especially when it deals with a prime commodity in this country such as grain. While many of the organizations are private groups, I firmly believe it is up to the government to give some direction. Certainly, I am sure there must be people in this army of civil servants in this country who are very well aware of the situation which exists. I do not believe this is the first time they have heard of this situation.

There is another area into which I believe the government should be looking. I realize it involves a difficult problem and I know there are no easy answers. Also I do not wish to be critical. However, I believe, as Mr. Meany said a short time ago, that strikes have outlived their usefulness. Certainly this country has become strike-bound. One can hardly pick up a newspaper without reading about another strike. The prime objective of the government should be in this area. I believe there are indications that we would be better off if the unions in this country were exclusively Canadian. I believe the minister must be very well aware of the net outflow of funds in the form of union dues, over benefits accruing to union members, from this country every year. Certainly, directives come from the head offices of these unions which cannot be in the Canadian or national interest. I think this whole area should be reviewed.

Mr. Gilbert: What about exclusive Canadian corporations?

Mr. Downey: I think we should discuss both. International unions and international companies are part of the same problem. There is some indication certainly that permanent compulsory negotiating machinery should be set up. If this is not the case, I suggest laws should be enacted in this country to place a financial responsibility on unions when they strike against the general public interest. Financial responsibility should be placed on unions so that they would think twice before they struck against the public.

Yesterday I had occasion to bring forward a private bill on Canadian citizenship. There has been a good deal of divisive legislation passed and there have been many divisive comments made in this country in the past four years.

I believe it is time we took full cognizance of the fact it is necessary that we are all recognized as Canadians and nothing else. My private member's bill would eliminate all reference to nationality on the records of Canada and henceforth any man who could obtain Canadian citizenship—and this would refer also to our native peoples—would be referred to as Canadian and nothing else. If we are to become a great nation, we must recognize the fact that it is important that we be known as Canadians. We simply cannot continue being hyphenated Canadians. Certainly, there is far more of this today than there was four years ago. Every racial origin group in this country is starting to come forward with its form of hyphenated Canadianism. This is impractical. No nation on this earth which has ever been great has pursued such a concept for very long.

I suggest we should take a real look at this area in the days ahead. It seems ridiculous that such a designation should be on any government document. Those who take over in the next four years should give this matter a thorough review. Also, it is not good in relation to the Canadian identity to take away certain things which are a part of our heritage as is being done in respect of the letters RCMP. They are part of the Canadian heritage and Canadian history. These letters represent a body that is honourable and good, and which is one of the most respected police forces in the world. One could consider how many boys have been made men because they had the RCMP crest placed on their chests. They were not all little Christs when they joined the Royal Canadian Mounted Police, but the fact that that heritage and tradition was behind them made many men great and gave us a police force of which we could be proud. If we are to assume and carry on any further Canadian identity we must not do anything to destroy this heritage. We must all be Canadians. It is difficult for us to imagine how a sense of purpose can be developed among Canadians if we are not to be known as Canadians and we do not maintain these historic traditions.

• (1450)

I think there are other areas which we should be exploring in the Throne Speech debate in the days ahead. It is difficult for me to imagine that the whole business of welfare and unemployment insurance should not be reviewed, as well as what the priorities that are apparently being placed in these areas are doing to people. I think we have developed an attitude in Canada of wanting something for nothing. All of us who have come this far in life know that you get nothing for nothing. Even in a just society you get nothing for nothing. I think there are many jobs in this country which could be performed for the public good, various public works which could improve the life, appearance and the whole fact of being Canadian. I suggest that many of our unemployed are purposely unemployed and that there are many people on welfare who need not be. I think that some directives should be given in regard to training and the allocation of jobs in the public interest to people who are willing to receive money from the public purse. This is an area which should be reviewed in the session ahead.

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): First let me congratulate the movers of the Address in Reply to the Speech from the Throne (Mr. Whicher and Mr. Lajoie).

The hon. member for Bruce has made, in my opinion, an outstanding speech in the best tradition of this House. He has put a lot of life—

Some hon. Members: Oh, oh!

Mr. Chrétien: —in his speech and this is obvious judging from the hon. members' reaction when I congratulate him.

In my opinion, it is necessary in this House to have animated speeches from time to time. This House should keep this spirit of debate which has been prevailing for many years and even though certain hon. members did not appreciate the true facts mentioned by the member for Bruce I think it was quite appropriate for him to state them. Hon. members should extend him their most sincere congratulations.

Of course, I was most pleased to find that the seconder of the Address in Reply to the Speech from the Throne was the hon. member for Trois-Rivières. He committed himself to politics only a few months ago out of his sense of duty and I think he has demonstrated that all hon. members and particularly those from the province of Quebec want to participate in the business of the House and show that we are all Canadians, that we all hope to contribute to our country's life and protect our culture.

As the hon. member for Trois-Rivières said, he has proved himself by bringing his wife from British Columbia—as did the right hon. Prime Minister (Mr. Trudeau)—and I hope that the Prime Minister will be able to follow suit and also have eight young Canadians during his married life.

In any event, as a citizen of la Mauricie, I want to congratulate the hon. member for Trois-Rivières and I can assure other hon. members that he will have a long and fruitful career as representative of this beautiful and ancient city, full of traditions, located in the heart of la Mauricie.

[*English*]

In the course of this debate, my colleagues will tell the House of the gains Canadians have made in the last four years in their standard of living and in the increased number of jobs and real income. My topic today is not so easily measured, not assessed in statistics, but, perhaps what is even more important, it is a field to which this government has given great attention. We have accomplished a great deal. I speak of the quality of Canadian life. I speak of those intangibles which make life more enjoyable, more rewarding and more gratifying—the world of nature, the world of our environment and the world of our heritage. The government and parliament have been giving more and more of their attention to conditions and policies affecting the quality of living—in our cities, our towns, our rural areas, in the north—in all of Canada. The quality of life varies throughout our land. In part, this reflects the differences and the diversities from which we draw our strength and our distinctiveness as a nation. We want to safeguard those diversities, to give

them full play in the shaping of a proud Canadianism which reflects all the elements of our society. I believe that this government has shown deternination and imagination in this.

• (1500)

While protecting these diversities, the government is helping Canadians to overcome economic obstacles and cultural barriers—barriers that tend to isolate Canadians from one another, from their land, from their history and from individual fulfilment.

In seeking to overcome these forces of isolation, we must protect our human environment and conserve our natural resources. We must remove the constraints, some of which are long standing, that weaken and hamper elements in Canadian society. We must pierce language barriers and nourish cultural aspirations deeply rooted in the past. We must provide a full range of opportunities for all Canadians. We must give meaning to their freedom of choice in their economic, social or cultural aspirations and efforts. There is a fundamental need, of which we are all becoming increasingly aware, to enrich the quality of life for all Canadians, to give it meaning and fulfilment. In a very real sense the need is to inject concern for humanity into a social environment largely dominated by materialism. This need has been clearly recognized by this government.

Look at what we have been doing in the last four years! The Arctic Waters Pollution Prevention Act was unanimously passed by this House. The Northern Inland Waters Act protects the freshwater resources of the north. Land use regulations are now in effect throughout the north. Guidelines have been announced for the construction of northern pipelines. The Oil and Gas Production and Conservation Act was amended to provide for more comprehensive control over oil and gas operations. Parliament has passed the Canadian Water Act setting national standards and controls. The Canadian Clean Air Act provides national standards for air.

[*Translation*]

However, Mr. Speaker, this only represents part of the accomplishments of the government. By creating the Department of the Environment we have opened the way to decisive action and co-ordination in that important area. This new group of governmental agencies puts us in a better position to solve current problems. They co-ordinate the undertakings of all departments in the field and work in close co-operation with the provinces, universities, industry, in short all those who are interested by this field.

Over one million chemical products are being used today. So we need to determine their hazardous or other characteristics. Pollution, whether it be created by industry or the masses of people living in urban areas, has raised new problems for the government. Canada now has a central agency to deal with those difficulties. No country can overcome pollution on its own. It is an undertaking with international dimensions. A first step has been made toward an international agreement on the control over the quality of water which will be part of a program to rejuvenate the Great Lakes between the United States and Canada.

[Mr. Chrétien.]

The next international conference on the Law of the Sea will help us further to make known to the world our concern to protect Canada at any cost against pollution whatever may be the source. Canada deserves to be protected. It is a country of great scenic beauty. Most enchanting sites have been preserved through our national parks.

In the last four years, Mr. Speaker, seven new parks have been added to those already in existence. For the first time we have national parks in Quebec—La Mauricie amd Forillon. We also have a large national park in Ontario, Pukaskwa. We have Gros Morne park in Newfoundland, Kouchibouguac park in New Brunswick and Pacific Rim park in British Columbia. In Nova Scotia Kejimkujik park has now been opened.

[*English*]

Today, Mr. Speaker, I am proud to announce the location of the three new parks that are being established north of the sixtieth parallel. The first of these parks is an immense 8,500 square miles in the Kluane area, in the southwest corner of Yukon Territory. Its outstanding features include Mount Logan, the highest peak in Canada; one of the world's largest non-polar icefields systems; outstanding glaciers and the St. Elias Mountains. The second is 1,840 square miles along the South Nahanni River, Canada's most spectacular wild river. In April, 1971, 870 square miles were withdrawn from exploitation. The new park more than doubles that area and includes Virginia Falls, twice as high as Niagara, three major canyons reaching 4,000 feet in height and a vast number of caves and sulphur hot springs. The third will be the first national park above the Arctic Circle. It is an 8,200 square mile area on the Cumberland Peninsula of Baffin Island. The area is noted for its spectacular fjords and deeply carved mountains dominated by the massive Penny Icecap. Mountains reach 7,000 feet. The Pangnirtung Pass is 60 miles long and often a mile deep.

These three northern parks, Canada's first national parks north of the sixtieth parallel, will increase total national parks lands by more than 50 per cent—from some 31,300 square miles to 49,800 square miles. I know all of these areas very well. They are unique and fantastic. They will rank among the world's most spectacular national parks. Members of this House are invited to view models, photographs and maps of these three areas which are on exhibit today in the Railway Committee Room. I thought it was important to give hon. members an opportunity to appreciate visually what we are doing. Although we try to be eloquent, there is nothing to beat a visual appreciation of the highest mountains in Canada, the biggest fjords, and so on. I think hon. members will probably appreciate the opportunity of seeing that documentation.

The addition of these northern parks means that ten new parks have been created since 1968. Only two parks were opened in the preceding 30 years. There has never been an expansion comparable to that of the last four years. The ten most recent additions up to 1968 took 50 years to establish. We now have 28 national parks in a comprehensive network extending from sea to sea; for the first time outstanding natural areas in every province and both northern territories are represented in Canada's national parks system.

Creation of these northern parks will not be permitted to affect in any way the traditional use of wildlife and fish resources by the native people of the north. We will discuss with northern residents who live near the parks ways to make sure that they get their share of the jobs created and every other possible economic advantage the parks can provide. Canadians now have the framework of an outstanding national parks system, but we must not stop here. There is much more to be done if we are to protect our natural heritage. The government is presently looking for opportunities to develop new kinds of parks and recreation areas extending along river valleys, geographical features, scenic routes, underwater parks, historic canals and walking trails.

[*Translation*]

Mr. Speaker, I am also pleased to announce today that the responsibility for eight canals has been transferred from the Department of Transport to the conservation program of my department. All those canals are linked with significant historic events: the Rideau, Trent-Severn and Murray canals in Ontario; the Carillon and Sainte-Anne canals on the Ottawa River, the Saint-Ours and Chambly canals in Quebec and St. Peter's canal in Nova Scotia.

All those canals are readily accessible from large urban centres in eastern Canada. We intend, in close co-operation with the provinces, to develop their historic value, the recreational aspect of those waterways and to protect their parks and wildlife habitats. The conservation of natural wonders is consistent with the preservation and protection of historic and architectural monuments in Canada. The Louisbourg fortress, the small Fort Garry, Dawson and the trail of the Klondike gold rush are some factors which add colour and variety to the national system of historic parks and sites. All were carefully chosen to commemorate the important events in our history and to inspire Canadians of today and tomorrow with feelings of satisfaction and national pride.

• (1510)

[*English*]

During this session, I will be introducing legislation to establish a national trust which will be known as Heritage Canada.

Some hon. Members: Hear, hear!

Mr. Chrétien: I would like at this point to mention the interest in that project of many members of this House, especially the hon. member for York-Simcoe (Mr. Roberts) who sponsored a bill that, to some extent, was the inspiration for this new legislation.

Some hon. Members: Hear, hear!

Mr. Chrétien: Its main objective will be the preservation of our historical, architectural and natural heritage. Heritage Canada will acquire property by purchase, donations and bequests. It will be a broadly based corporation with the same degree of independence as the Canada Council. Heritage Canada will be launched with the aid of a generous federal endowment grant to give it a start. The private sector will have a major role to play. The aim is to enable anyone anywhere in Canada interested in preserving our historic and natural heritage to play a part in discharging a national responsibility.

[*Translation*]

Our cultural heritage, Mr. Speaker, makes up an essential part of the quality of our life. Not only must we preserve it, but we must make it available to all Canadians.

The government, through the Secretary of State Department, intends to increase the responsibility of the National Museums of Canada. A system of associated museums will be set up in order to allow the Canadian people across the country to enjoy the National Museums collections.

At the same time, the Canada Council will be given more funds and its responsibilities will be extended in order to insure the protection and use of museum collections that do not belong to the national system. This will lead to the establishment of the first elements in a network of national exhibition centres and to the management of a collection of art objects which will be loaned in order to attract the public to the museums.

[*English*]

Ignorance about the culture and history of the various groups that make up our population has had much more to do with dividing us than any other single factor. National parks, historic sites and museums enrich the quality of Canadian life and strengthen visibly the fibre of national unity. They tell us much about the world around us, ourselves and each other.

Communication and understanding are essential in a diverse society. We must seek to deepen our understanding, to enlarge our appreciation of all others. This is the foundation of the government policy on bilingualism and the raison d'être of its multicultural programs, the basis for a better Canadianism. There is no threat in this. There is a promise, a promise of a land in which the dignity of everyone, the heritage of every one of us will be respected and understood by all.

Some hon. Members: Hear, hear!

Mr. Chrétien: Before concluding, Mr. Speaker, I wish to mention a subject that is very close to the members of this House, especially myself as Minister of Indian Affairs and Northern Development. I am happy to refer to the fact that in the past four years we decided to work very hard on one of the cultural problems about which we all feel very strongly. I refer to the cultural heritage of the first citizens of our land.

Some hon. Members: Hear, hear!

Mr. Chrétien: We have started on programs to try to help the Eskimos and Indians of this land to preserve their culture. During the past session, it was announced that the government in the next year will spend $10 million to help establish cultural centres and other activities that will permit our native population to go back through their history. We have a diverse cultural society. One of our responsibilities is to permit our first citizens to find in their background, history and tradition a new strength in order that they may find the place in society they want. In the past 100 years we may have tried too hard to impose our values on these people.

The greatest contribution that this House can make is to support the efforts of the government and the people of Canada to help the first citizens of this land keep their cultural identity. It is very important for every citizen to understand what he is, accept his differences, and from there build a place in society that suits him.

Some hon. Members: Hear, hear!

Mr. Chrétien: It is this that has permitted Canada to become what it is now. We believe it is possible for all Canadians to share in the economic and social advantages and at the same time maintain their cultural diversity. I think these and other programs that have been announced today are designed to permit Canadians to find in their history, different backgrounds and cultures existing in this country the strength that will permit the building in Canada of a diversified society that will pull us all together and ensure that this country will continue to be an example to the world of understanding, broad views and, at the same time, social and economic progress.

[*Translation*]

Mr. Speaker, I thank hon. members for their attention. I am sure that Canadians will welcome the general program we have announced which is intended to promote the conservation of green spaces for generations to come. It is our responsibility, as members, not only to develop short term programs but to take steps to conserve for future generations areas such as the national parks which may not be visited by a large number of Canadians in the near future, in order that the children of our children may say that during this Parliament we tried to save those areas for them, and to set up, in the fields of culture and history, the required mechanisms to allow our descendents to keep their diversity while building a country of which we can all be proud.

• (1520)

[*English*]

Mr. Howard (Skeena): I wonder whether the minister would permit a question before he formally concludes his remarks.

Mr. Chrétien: With pleasure; I always like the questions the hon. member puts to me.

Mr. Howard (Skeena): I am really interested in the answers. May I say that we listened to the minister's speech with a great deal of interest. We were pleased to hear his comments about canals, parks, architectural buildings and so on as well as his later, unrehearsed remarks about the Indian people. But if he really wishes to do something worthwhile, can he tell us when he intends to make some formal announcement about recognizing the aboriginal rights of the Indian people, and tell us, also, when he intends to remove those iniquitous sections from the Indian Act, sections which have, unfortunately, been with us for donkeys years.

Mr. Chrétien: Well, Mr. Speaker, this is not a debate on Indian affairs but I am always glad to express the views of the government on that subject. As to the first part of the question, this matter was dealt with by the House a few years ago when two commissions of inquiry into Indian rights and treaties were established. The Indians have their own committee. They are studying their treaties and rights. Facilities for this inquiry have been provided by the federal government and responsibility has been assigned by the Indians to a chief whom they themselves have apppointed. At this time, I do not wish to interfere. The government has appointed Commissioner Barber to look into the question for us—

Mr. Howard (Skeena): You have not.

Mr. Chrétien: He is talking with the Indians now. I believe he has begun to make some recommendations, for example, on the question of the ammunition moneys of the Indians of Alberta. I think this is the start of a co-operative approach between the Indians and the government to find a solution.

As far as the Indian Act is concerned, I recognize that it is not perfect legislation. I said from the first day I was here that I wanted a new Indian Act. But before I propose this unilaterally, I naturally wish to hold consultations all over Canada.

Mr. Howard (Skeena): Your predecessor started it, not you.

Mr. Chrétien: We have been engaged in consultation with the Indians since 1968. I recognize, of course, that my predecessor had moved in that direction, because, after all, we are all Liberals and we are acting like Liberals all the time.

Some hon. Members: Oh, oh!

Mr. Gilbert: That's the trouble.

The Acting Speaker (Mr. Boulanger): Order. In all fairness, I must point out to hon. members that the minister's time has now expired. The question itself was long and the answer has been very long. Therefore, so as to continue in order, I shall need unanimous consent if the minister is to finish his reply.

Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Chrétien: I said I wanted to amend the Indian Act, and I have asked the Indians to come to me with suggestions. So far, three different Indian associations have presented their views and I am sure the hon. member for Skeena (Mr. Howard) would really be shocked if I proceeded in the absence of advice from the Indians of British Columbia.

Mr. Yewchuk: Mr. Speaker—

The Acting Speaker (Mr. Boulanger): Does the hon. member rise for the purpose of asking a question? If he is, I shall need unanimous consent.

Some hon. Members: Agreed.

Mr. Yewchuk: Thank you. I shall be brief. I was interested to hear the minister's remarks and his enthusiastic conclusion, during which he spoke about preserving the culture of our first people and of making available a $10 million fund for establishing cultural centres. In the circumstances, could the minister explain why it should have

been necessary for the Alberta Indian Association to dismantle the staff which had been assembled and the plans which had been drawn up for such a cultural centre?

Mr. Chrétien: This is a new program, Mr. Speaker, and we are now developing this program. The question of the Indian associations in Alberta was discussed at length in this chamber a few months ago. I have expressed my view. I have nothing to withdraw. I felt the associations were not at that time serving the best interests of the Indians. Some of them were merely interested in raising political hell. We have established good relations with the new administration, and I think we shall certainly help them to establish cultural centres. But one must recognize that there are three different groups in Alberta, each of which wanted grants. It is not because there is pressure on me that I would give preference to one group rather than to another. However, I need a national program in order to be just to everyone. I have been Minister of Indian Affairs for more than three years, now, and I know what pressure is. I am used to it. I keep my cool in order to make good decisions even if it takes a few more weeks.

Mr. Howard (Skeena): Mr. Speaker, I rise on a point of order. In his response to the question I posed to him the minister let his imagination over-ride the facts of the situation and made three deliberate and distinct misstatements.

Some hon. Members: Oh!

Mr. Howard (Skeena): With respect, I do not think he should be permitted to do that. The first mistake was in saying that Dr. Barber had been appointed.

Mr. Speaker: Order. The hon. member may rise on a point of order, but he is required to take into serious consideration one of the long-established rules of the House. Even if he feels aggrieved, he has no right to suggest that another hon. member has made a deliberate misrepresentation of facts. He has no right to say that.

Mr. Howard (Skeena): He made it accidentally, then, out of ignorance of the true facts. The minister said the government had appointed Dr. Barber to look into the question of aboriginal rights. That is not true. Aboriginal rights were specifically excepted from the relevant order in council. When we inquired about this before Christmas the Prime Minister (Mr. Trudeau) substantiated this assertion.

The second misstatement of fact related to the recognition of aboriginal rights themselves. In September, 1969, the Prime Minister admitted that he and his government had no time for the aboriginal rights of the Indian people, did not intend to recognize them and disregarded them completely. That statement by the Prime Minister has never been put to one side by the right hon. gentleman or by the minister.

Mr. Speaker: Order. This is obviously debate between the minister and the hon. member. I suppose a debate as to who is right and who is wrong could go on for a long time, but if the Chair were to allow these statements to go on for a long time it would be doing so at the expense of other members who have indicated that they are anxious to take part in this debate. My understanding is that this is not a debate on the affairs of the minister's department. I would hope we could give the hon. member for Oshawa-Whitby (Mr. Broadbent) an opportunity to make the speech he has been waiting to make for some time.

Mr. Chrétien: On the question of privilege, Mr. Speaker, I believe the hon. member has shown to the House that he has been a member of the opposition for a long time, and he will have to stay there for a long time because he is quite thin-skinned.

Mr. Howard (Skeena): But accurate.

Mr. Gibson: Mr. Speaker, it seems the House has been misled by the remarks of the last speaker.

An hon. Member: You mean the minister?

Some hon. Members: Oh, oh!

Mr. Gibson: I mean the last speaker on the opposition side. He completely overlooked the inquiries within the constitutional committee. The committee heard representatives of Indians from coast to coast.

Mr. Speaker: The hon. member's question of privilege amounts, again, to a dispute concerning facts and at this time a debate cannot go on under the guise of a question of privilege. I suggest to the hon. member that we might go to the next speaker. I am prepared to recognize at this time the hon. member for Oshawa-Whitby.

• (1530)

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I wish the state of the Canadian economy was such that I would be able to take more time to comment on the minister's generally pleasing announcement this afternoon, but unfortunately that is not the case.

The only distinguished aspect of the speech the Prime Minister (Mr. Trudeau) made in this House last Friday was that it made very clear that a lousy Conservative economic policy was not an adequate substitute for a lousy Liberal one. In this respect, the right hon. gentleman was very cogent. However, in the process his own record as an incompetent, callous, bumbling, glib, smug Prime Minister was not alluded to at all. Acting on the old maxim—and the Prime Minister always acts on old maxims—that when your position is defenceless it is best to attack, he did precisely that.

On listening to and reading his speech, one would have thought that the next best experience to an "after life" in heaven was to be a Canadian living anywhere north of the 49th parallel in the winter of 1972. Our land, he said, is one in which men and women can "live and work and play and think in either the English or the French language". Well, Mr. Speaker, unfortunately it is also one in which almost 700,000 men and women are walking the streets in sub-zero weather looking for a job. It matters not whether whether they do it in English or French, or indeed whether they do it in German, Hungarian or Italian.

Rarely has a distinguished mind, such as that of the Prime Minister, so laboured not to elucidate or make clear reality but to obscure it. Rarely has so much cool rhetoric been employed to disguise the harshness of the complete truth. A mind once given to an analysis of the *Cité Libre*

has succumbed to the Pollyanna mush of Walt Disney. Such, perhaps, are the fruits of power.

What is the untold reality? Beyond the avowals of the Prime Minister and the Minister of Industry, Trade and Commerce (Mr. Pepin), who assert that Canada has an economic policy, a strategy for development, which will lead to full employment, is the unpleasant fact that the only economic approach that could in any sense be described as a policy or plan of this government has been the Trudeau government's commitment to price stability. This policy was begun in 1968 right after the Prime Minister was elected, and has continued unabated right to the present day. Indeed, last Friday the Prime Minister himself once again took great pride in reminding us that the stability of our prices compared with other countries was a wonder to behold. Our price performance, he said—and the former Minister of Finance used to tell us this ad nauseum—is the wonder of the world.

The question, however, that is never openly asked, and certainly never openly answered by this incompetent and unconcerned government, is: Who benefits from price stability? That, Mr. Speaker, is the question. Who really benefits from such a policy? The fact is that apart from those on pensions, who could be protected by mandatory escalator clauses in all pension plans, some at the provincial level and some at the federal, and apart from unorganized workers, who again could be protected by more unions not fewer, the only category of person who wants absolute price stability in this country, or indeed in any other country, is the investor. That is the economic class that benefits from price stability. These people want to be able to clip their coupons at the same dollar value at which they invested. That, Mr. Speaker, is really what lies behind the preoccupation of this government and preceding Conservative governments with price stability.

Mr. Osler: What about the farmers? Your own members are always talking about prices going up.

Mr. Broadbent: I should like to complete my remarks, and then I should be only too pleased to deal with the withering nonsense coming from the other side of the House.

However, as all western European governments know and take into account, an economy geared to price stability is also one inevitably geared to significant levels of unemployment. This in turn leads to a reduction in the growth rate, an increase in welfare costs, and, most important of all, severe human misery for those men and women and their families who are the flesh and blood behind the unemployment statistics.

In his tough minded, Chamber of Commerce, ill-informed speeches of recent weeks, the Prime Minister has always been quick to point to what he regards as the dangerous rates of inflation in countries like Sweden, West Germany, Norway and Japan. The first three, I would remind you, Mr. Speaker, are governed by social democratic parties like the New Democratic Party. The Prime Minister neglects to mention, however, the relevant human statistics and facts in these countries. He does not tell us, for example, that all these countries have virtually full employment at the present time; that while Canada has almost 7 per cent unemployed, West Germany has 0.5 per cent and has, indeed, two million foreign workers employed within her borders.

Mr. Osler: What is the growth rate of their labour force?

Mr. Broadbent: I shall be coming to that in a moment, thank you. Sweden has an unemployment rate of 2.7 per cent and the Swedes are now talking about a recession! Norway, I point out to the Prime Minister, has an unemployment rate of 1.4 per cent. The figures for Japan are not readily available.

Let me at this point correct the highly misleading impression that the Prime Minister attempted to convey last Friday. The hon. member who raised the question is now beating a retreat, just as I wanted to deal with the issue he had raised.

Mr. Gilbert: He has gone out to clip his coupons.

Mr. Broadbent: The Prime Minister correctly said that the number of new jobs in the Canadian economy exceeded that of Germany, The Netherlands, Sweden, Belgium, France and Italy. May I point out, in parenthesis, that the period of comparison is for the last quarter of 1971. However, the Prime Minister left a completely erroneous impression by this playful and misleading use of statistics. He failed to mention that the same countries, excluding Italy because of the lack of available statistics on this point, had 1,502,000 unemployed yet had, please note, 1,163,000 job vacancies. What this means is that for each job available in those countries alluded to by the Prime Minister there were 1.3 persons in need of it. In other words, there was almost one job for every man available. The comparative ratio for Canada in the same period is that for every job there were 11 men and women in need of it! Let us forget all about the great growth in employment that the Prime Minister refers to and the creation of new jobs; the real test is how many jobs are available for those looking for work, and for the period alluded to by the Prime Minister the fact is that for each job available there were 11 men and women in Canada in need of it.

If the Prime Minister had noted this fact, he would have given an honest picture of what is happening in this country. If the Prime Minister and his government are unable to deal with unemployment, then at least let them admit their incompetence instead of hiding their failure behind deceptive statistics.

The Prime Minister also failed to point out that behind our own 1971 average rate of unemployment of over 6 per cent lies a larger and more depressing picture. It has been estimated that in 1971 over two million different Canadians were unemployed at different times in the year and that when you take into account the families of the unemployed, approximately 30 per cent of our population, or over six million Canadians, were directly affected by unemployment.

• (1540)

It seems that such reality does not bother the Prime Minister. Why else would he have pursued an anti-inflationary policy which he himself admitted would lead to unemployment in the past three years? A policy which could only benefit certain coupon clippers in the world of business. I have here a list of 13 companies that have

experienced lay-offs in the past 12 months, Mr. Speaker. The total of jobs lost is in the thousands. Here is the list: Sheet Harbour, Nova Scotia, 200 jobs lost; Cornwall Domtar Fine Paper Ltd, 170 jobs lost; Bathurst Consolidated, 80 jobs lost; Frazer Companies, Campbellton, New Brunswick, shutdown six times in 1971; Bowaters, Corner Brook, massive lay-offs started in 1971—to be extended, hundreds of workers affected; Inco, Sudbury, lay-off some 600 workers with about 1400 more to come; Northern Machine Works at Bathurst; In Temiscaming, the announcement of the shutdown of the pulp and paper plant, some 800 jobs lost; British Newfoundland Exploration Ltd.; Spruce Falls Power and Paper and Coulter Manufacturing.

In the midst of this disastrous situation for unemployed men and women, however, the Trudeau government has not forgotten to reward its corporate supporters. Mr. Speaker, I think it is very important to note who is committed to certain myths in this country and who is not. It is our view in the New Democratic Party that it is both the old parties, the Progressive Conservatives and the Liberals, who are hung-up on old myths, particularly the myth of private enterprise.

In this country we have private enterprise, free enterprise, call it what you will, a system only for those who are seeking work. For example the Prime Minister recently told a black-tie Liberal dinner group in Toronto that the want ad columns in the Toronto newspapers were filled with jobs. If Canadians were not so lazy, he suggested, they would get out there and get them. He failed to note that for every job available there were 11 Canadians and that many of those jobs existed in the Arctic while a number of others required a Ph.D. degree. These facts occasionally elude the Prime Minister.

Yes, it is a free enterprise system for the workers of Canada. But, Mr. Speaker, I say this in all seriousness, in this country it is really a welfare state for our corporations. Right now the Liberal government is providing for our corporations funds at the rate of $400 million annually, most of it in the form of outright non-repayable grants. We also know, Mr. Speaker, that the Liberal party, perhaps coincidentally and perhaps not, relies on the same sector for its campaign funds every four years.

The chairman of the Liberal election campaign for the election that we are all expecting, revealed a week or so ago that there are 95 corporations who are the principal backers of the Liberal party. This is the first time they have told us the number. I suggest, Mr. Speaker, that the people of Canada have a right to know the names of the corporations. We have a right to know how many of them have received non-repayable grants, and how many have received government contracts from any department. I challenge this government, which talks so glibly about democracy and participation, to present a list of those 95 corporations so that we can check the record. I think we will have to wait a long time.

Let me comment on three programs that the government has embarked upon to extricate itself from the economic mess it has created. First, there is the Department of Regional and Economic Expansion. The Department of Regional and Economic Expansion is supposed to be helping the poorer regions of the country. However, its work in terms of the economy as a whole can be best described as next to useless. In fact, it has been so lacking in effective planning that it has been an instrument, on the one hand, of increasing the amount of foreign ownership in Canada and, on the other hand, has resulted in unemployment being created elsewhere in the country.

The list of corporations receiving DREE grants reads like a Who's Who of the multinational corporation world—Procter & Gamble, IBM, Parson and Whitmore, Michelin Tire, etc. And with what foolish, inconsiderate haste have they been given funds! Consider the following examples: First, ITT one of the largest U.S. corporations, received about $15 million for a new pulp mill at Port Cartier. Was this grant based on the real need of the Canadian economy for a new pulp mill? Of course not. I say this because we have just learned that Canadian International Paper is closing down in Temiscamingue with a loss of 700 jobs. This firm was doing exactly the same work as ITT.

Second, Duplate of Canada Ltd. was given almost $1 million to build a new plant at Hawkesbury so that it could close down part of its operations in Oshawa, simultaneously creating new jobs in Hawkesbury and unemployment in Oshawa. Brilliant planning! Third, the Michelin Tire Corp., a French-owned firm, is being granted millions of dollars to produce tires in Nova Scotia for a Canadian market already characterized by too many tire firms. Meanwhile, Dunlop Tire close down in Toronto, and Dunlop, B. F. Goodrich, Firestone, etc., located elsewhere in Ontario, operate at reduced capacity and some of them may be forced to cease operations completely. Fourth, last November, Aerovox Canada Ltd., moved part of its operations from Hamilton, Ontario, to Amherst, N.S. after receiving a $235,000 DREE grant. Fifth, a week following the Aerovox decision, just to show that the government is consistent in its stupidity, it was announced that Union Carbide was moving part of its operations from Welland, Ontario to Beauharnois, Quebec because DREE had given them a 1.3 million grant.

The point is, Mr. Speaker, that DREE in too many cases simply constitutes a great waste of public funds which serve to line corporate pockets, create no new jobs, but merely transfer unemployment from one part of Canada to another. This is what Liberal economic planning is all about, it seems.

In his speech on Friday, the Prime Minister referred to the government's Manpower programs with his characteristic modest pride. Once again, we must look at the reality behind his statistics. In the third quarter of 1971 Manpower had between 60,000 and 80,000 trainees on courses. However, during the same quarter about 470,000 were unemployed and there were only 44,000 jobs listed as being available. A number of questions, surely, must occur to us and surely must occur to the Prime Minister. For what specific jobs were these people being trained? Would there be any work for them when they finished their courses? Has there been any serious attempt to correlate the courses with the anticipated job vacancies in the market?

The answers to all these questions, Mr. Speaker, are all negative in their implications, as every Member of Parliament on both sides of the House knows. Manpower courses at present are simply an expensive means of keeping men and women temporarily out of the unemployment statistics. Instead of pouring millions of dollars

thoughtlessly into this kind of manpower program the government would be much wiser to invest it in new enterprises that would create real and durable jobs in the Canadian economy.

• (1550)

Mr. Speaker, quite apart from other reasons for failure, the DREE and manpower programs simply cannot succeed in the present economic environment. Both programs were recommended to the federal government a few years ago by the Economic Council of Canada and both were seen to be viable—and this is important—only in conditions of an economy performing close to its full potential. I will return to that point in a moment. I want to say something about the winter works program.

In 1968, the Prime Minister dismissed and then cancelled the winter works program. It was, he said, wasteful of public funds and non-productive in terms of creating a significant number of jobs. That was Trudeau wisdom in 1968. However, he came back this winter with his own hastily drawn up, essentially stop-gap winter works program. Once again, men and women are only very temporarily taken off the unemployment statistics list for a few months. I ask the Prime Minister what will happen to these people when the first of June arrives?

I want to conclude my criticisms with some final, and I hope some positive, observations. We have come full circle. This government after it was elected in 1968 decided to fight inflation. It has done so ever since. After the first two years it began gradually to sense that something was going wrong and that thousands of people were being thrown out of work. The government then resorted to hasty, unplanned cash expenditures in its DREE, manpower and winter works programs, which work and can only work in an economy operating near its full potential. In other words, the very programs the government seeks to invoke and wants to apply to the Canadian economy require for their efficacy a fully employed efficient economy in the first place, but this government systematically set out to destroy such an economy with its anti-inflation policy.

It would be childish and intellectually dishonest to suggest that there is a simple solution to the problem of creating full employment in Canada. There are, however, certain approaches which, if begun now, would have positive effects before long. I might add that if they are not begun soon, Canada will continue to experience the ruinous high levels of unemployment we are now living through.

I wish to make five suggestions. First, the government must abandon its preoccupation with price stability and commit itself completely to full employment rather than being unnecessarily preoccupied with inflation. It must make clear to the people of Canada, first, that most of our inflation is inherited from the United States and of course there is very little we can do about it as every economist in this country knows. The government must say to the Canadian people that some inflation is not a bad thing. Second, it must set up an economic planning department which will assess the potential of the Canadian economy in relation to emerging world markets for certain products. Then, it must concentrate our energies in these directions. This is exactly what the Japanese did following World War II in the electronics and automotive industries, and we all know how successful they have been. Third, the government must make clear to our trading partners that we are not merely to be regarded as a source of raw materials. To the Japanese and Americans, we must make it conditional upon receiving a certain percentage of raw materials that they must also buy a certain growing percentage of our manufactured articles.

Fourth, a major change in corporate taxation policy is required to shift the incentives away from the export of raw materials to the development of the much more labour-intensive manufacturing sector. I would like to take a minute on that point. A Liberal government in 1955 began the ruinous policy of giving special tax concessions to the exploitation of non-renewable natural resources. They did this at a time when other countries were planning to develop their manufacturing sector. For short-run economic gains, the Liberals began the sell-out of our natural resources and simultaneously and inevitably discouraged the development of the manufacturing sector of the economy. They began in 1955 the tax policy which was continued by the Conservative government and still remains in the recent legislation of the present government. Tax write-offs and concessions in the resource sector have led, for example, to the oil and gas industry paying taxes on only 6 per cent of its profits. The mining industry, in its metal mining operations, pays taxes on only 13 per cent of its profits.

What are the consequences? The foreign manufacturing countries, in particular in the western world, like Canada's policy because it helps them in two important ways. First, it provides their investors and manufacturers with a very cheap source of raw materials. Second, the very fact of this foreign investment in our resource sector, now in the billions of dollars, drives up the value of the Canadian dollar. This, in turn, makes it very difficult for our still just emerging manufacturing industry to compete both at home and abroad with the manufacturing countries which do the investing in our resource sector in the first place. The truth is that the Liberal government's tax policy in this respect will continually undermine the efforts of even a hundred trade missions which it might send throughout the world trying to sell our manufactured goods. What is needed now is a change in tax policy, a change which removes the ruinous concessions to the resource sector and puts it in a tax position which at most must be no better than the labour-intensive manufacturing sector.

Fifth and finally, this government must begin to act to regain control of certain key sectors of the Canadian economy. As recently as today in the House of Commons the Prime Minister and the Minister of Industry, Trade and Commerce (Mr. Pepin) revealed their ad hoc, vacillating, non-policy on foreign ownership, and particularly on the question of the economic relationship between ourselves and our American neighbours. The Prime Minister could not tell us when his policy on foreign control would be forthcoming. On numerous occasions in recent days the leader of the New Democratic Party has asked without success for this policy. Similarly, the Minister of Industry, Trade and Commerce today refused to explain our policy on the multi-million dollar auto industry.

Mr. Speaker, what is required is a clear commitment to implement measures now which would result in regaining control of certain sectors that have a clear potential for growth in the world economy. Two years ago I proposed floating our dollar and using our dollar reserves currently sitting in the United States to obtain controlling interest in our petroleum industry. Recently, the hon. member for Duvernay (Mr. Kierans) made a similar argument. He pointed out that our current reserve levels of $5 billion would be sufficient to obtain control of both Chrysler and Dupont. It matters not which important industries we get control of now. Surely, a number of possible labour intensive alternatives are available after a serious assessment is made. However, it does matter that we start now. Hundreds of thousands of Canadians walking our bitter, cold streets in search of work have already waited too long.

• (1600)

Mr. E. B. Osler (Winnipeg South Centre): Like so many other members who have contributed to this debate, I would like to start by congratulating the mover and seconder of the motion that we are now debating. Unlike some of the other speeches we have heard today they were both, in my opinion, optimistic speeches. The speakers did not duck some of the problems that confront the country but, on the other hand they did not paint a uniformly black picture of this country as some others are inclined to do.

If I had an hour or an hour and a half, I would be strongly tempted to take a long look at some of the statements that were made by the hon. member for Oshawa-Whitby (Mr. Broadbent) and elaborate on them. Some of the things he spoke about made quite a lot of sense but others did not make much sense. A Liberal is not a doctrinaire person, so he is able to accept things that sound sensible and discard the nonsense. He does not have to judge a person's performance by a beatific vision he has seen.

I wonder whether the hon. member for Oshawa-Whitby would ask Mr. Schreyer, loudly and clearly so that the people of Manitoba could understand, whether the premier does or does not want any DREE money to help private enterprise or any other enterprise to develop in Manitoba. If he does not want DREE money, my question to him would be whether he would rather have plain, ordinary Manitoba money because he would certainly wish to use any money he can find in Manitoba to encourage industry to develop so that the people in Manitoba can have jobs. I wonder whether he would really, seriously go to Saskatchewan and tell the farmers there that a little inflation or a great deal of inflation does not matter a hell of a lot, and whether he would go to his constituents and say to them: dear constituents, you can always sell cars; they are so damn good and so intrinsically great that you have the right to a job making cars. It does not matter how expensive they are, they will be bought all over the world. That is one of the things about price stability.

Before the hon. member finished, he said that it would be a dreadful thing to do certain things that would drive up our dollar. I cannot see why it would be more dreadful to drive up the value of our dollar than it would be to drive up the price of the goods that that dollar represents by inflation. On the one hand, you have inflation which is perfectly good and hurts no one other than the men who clip coupons and, on the other hand, you have this high dollar which is a terrible thing. So there are inconsistencies in the hon. member's speech. I could go on for a long time on that subject and I intend to do so, but it is time to talk about something else today.

I would like to say that since 1867 there have been periods of provincial ascendancy in this land and other periods during which the central government has dominated the scene. But I submit that it has consistently been the federal power alone that has been able to take effective steps to remove the barriers that create isolation, to permit each Canadian to detect his own potential, to ensure that his image of Canada is one of promise and compassion.

Let us recall a few of the big decisions made by the federal power that have made a nation out of this country. Macdonald's insistence that there be a railway from sea to sea, which policy he carried through this House after a bitter and long debate lasting a full two months, was one of them. The then leader of the opposition—there were no third and fourth parties then, but if there had been they would have put in their two bits worth—said that a trans-Canada railroad could not be completed in ten years, which is what the contract called for, "with all the power of men and all the money in the Empire". Yet, at Craigellachi in 1885 the job was completed and the Canada we know began to become a possibility. Doubtless, the leader of the opposition and many of the leading columnists of the day considered Macdonald to be arrogant, technocratic and even dictatorial for persisting in getting this program through parliament, for defying the opposition. But the insults have been forgotten and the railway line survives.

Then, there was Laurier's settlement of the west, which added muscle and sinew to the long cross-continental backbone that this railway had produced.

There was also, parliament's decision to create a Canadian navy rather than to contribute money and men to the British fleet. Again, there was a lot of flak over that one.

An hon. Member: Where is the merchant navy now?

Mr. Osler: There is a lot of flak still, but by and large it is to be ignored because if attention had been paid to the flak then there would have been no Canadian nation. We would have been true imperialists, donating our money to the Royal Navy and we would have remained colonialists whom everyone decries today. So, the opposition establishes the traditional routine of being against everything and says that it is arrogant to get things done. There would have been no Canadian navy and Canada would have been tied to the apron strings of its imperial mother for ever and ever. Now, there is no imperial mother and there is no empire to be tied to, so I suppose Canada would be holding the knot up in the air.

Then there have been other things, such as the establishment of the CBC, the conception of which was very fine, along with the enforcement of federal control over broadcasting. There has been a wide range of social assistance programs, too. Everybody will agree perhaps with this. They might say that perhaps there has not been

as much as people would like, but a lot more than some other people would have given to us, bankrupting the nation in the process. The Canadian Bill of Rights was a praiseworthy attempt by the federal power to provide a standard by which the rights of all Canadians might be measured and enforced. But you will find many of the provinces were too small minded to accept it. Then, there was the Canadian flag. There is nobody today who does not take our flag for granted. They would feel like idiots if we did not have the Canadian flag, but the move to adopt it had to be started by federal initiative.

Our peacekeeping role with the United Nations has been a useful one. Our insistence at the federal level on the principle of regional equality of opportunity is another example of federal initiative. I agree that it has not been reached, but the principle is there and we stand by the principle. We are attempting more and more to carry through that principle. So, without a strong federal power, who can imagine the existence of a meaningful Canada still rising to the challenge of removing the barriers that inhibit people from coming close to their full potential?

The federal government, by encouraging the flowering of cultures other than English and French, has turned our country's back once and for all on the insidious and deadly concept of the melting pot. It has held firmly to the position that no province or region of Canada can have, or is entitled to, special powers. In the early spring of 1972 our nation has at last caught up with a number of issues that seemed to be key issues for debate in the 1960's. I suggest that now is the time to turn our sights in some other directions. The post war era is passed. All over the world it is dead and gone. Quite suddenly we find ourselves in a new worldwide ball game in which not all of the rules have been defined. The current move of the United States to reach a detente with the Republic of China and its frantic activities on the trading and monetary fronts, combined with Britain's imminent entry into the European Common Market, can leave no doubt of this. Canada, if it wishes to remain independent and as sovereign as any nation can be today, must understand and acknowledge the cardinal fact that she is on her own.

I suppose we could side with the forces of protectionism in the United States and strive to become an insignificant appendage within a sort of fortress western hemisphere. If we did so, the instrument for achieving that would be the party which is wagged by the tail of the dog of protectionism of the big unions in the United States which are the prime force behind the protectionist movement there, as I understand it. But I do not think that will come to pass, even though it would ensure that we would not have to agonize over every decision for long. The decisions would be made for us in Washington. Surely, it would both deny our own heritage as a trading nation and renege on our own *raison d'être,* while guaranteeing our own decline and fall. Such a move would not only guarantee our own decline and fall, but also the decline and fall of the incipient Caribbean nations as well as the decline and fall of the South American nations.

• (1610)

A hundred and forty years ago Charles Darwin began to think out his theory of evolution when, as a young naturalist, he went ashore from H.M.S. *Beagle* to make a trip into the interior of Brazil. During that trip he observed that, in nature, nothing was safe; to prey and to be preyed upon was the condition of existence. Each species had to adapt itself or face extinction. I submit that this lesson is urgently relevant for mankind today. Just as Canada cannot survive without the deliberate encouragement of prosperity and cultural diversity in its various regions, so the world cannot survive without deliberate and continuous attempts to achieve prosperity and well-being wherever men may live. The United Nations may some day evolve into a federation of co-operating world powers. I think we can safely say that we have passed the dangerous stage when it could have become the ultimate nightmare, the world-wide universal state. Indeed, tolerance and trade are the key elements required for the continued survival of both federal Canada and the world. Anybody who suggests that Canada does not need to trade should just look at the figures relating to per capita trade and the percentage of our gross national product that is generated by trade. We are vitally interested in freeing trade wherever it can be freed. We cannot solve the problems of trade in the world alone.

On the domestic scene, no single province or provincial government can solve the problem even of its own region without doing so in a federal context with the federal power providing the necessary initiative. That is why it is so important that this House, composed of men and women elected from all the regions of Canada, should persist in its efforts and not allow itself to be overshadowed at any time by any provincial legislature.

It is important for us today to answer one question: upon what industries should we concentrate? What development goals should we have, either to raise incomes or create jobs? Where will our trade markets be and what should our trade policy be? Should we move toward a common continental market or search for new, overseas markets? Where do we want growth to occur? Do we want it only within our three largest cities, which is what is now happening, or do we want growth to be spread across the entire land? At first glance, some may think that discussing such matters as industrial development means that we are ignoring our social problems. I submit that you cannot separate the two. We have a pie, and if you talk solely about special programs you are only talking about how that pie is to be divided. Today, the time has come for us to examine the machine that actually makes the pie, because we have more and more people and we need a larger pie to distribute. We sense, today, a need to co-ordinate all our policies in order to be certain that we are charting a clear and consistent course for our future.

The growth of western Canada is probably one of the most significant changes that has occurred within Canada since the Fathers of Confederation brought unity to our eastern provinces. The time has now come, and I am talking as a westerner, to go beyond talking only about western identity and western rights. We must talk about our new west, and examine how our new west is actually providing real opportunities for the new national policies demanded in our era. You see, this country was built and modelled on the fur trade. The building of the CPR followed that model, and our trade and transport system shifted from west to the east, to France, England and

Europe. In recent times we have seen our trade shift from Europe to the United States. We have seen the very continentalism emerge that Sir John A. Macdonald and the early Fathers of Confederation tried to prevent.

In the late 1950's, the right hon. member for Prince Albert (Mr. Diefenbaker) tried to reverse this trend, to shift trade away from the United States and take it to the United Kingdom. His basic aim was identical to that of the Fathers of Confederation; but times had changed, and trade could not be switched back in that manner. I submit that the settlement and development of western Canada should point out to us that we are actually looking at new options; the options, for instance, of developing the Fraser River Valley at least as thoroughly as we developed the St. Lawrence River Valley. That development would give Canada access to the Pacific rim.

Current projections suggest that Japan will become our second most important trading partner during the next decade. However, Japan is not the only country in the Pacific; China, Malaysia, South America, Australia and New Zealand will present immense trade opportunities. These countries are all potentially very great customers.

This opportunity alone provides ample modern ground for resisting the idea of a North American common market, which has been suggested by one dignitary in this country. I will not say any more about that dignitary. Perhaps too much has been said about him recently in another context by members of this House. However, I think that the concept of a common North American market, as it was suggested to some people in B.C., really means a common fence. And, because we are such a small country relative to the United States, it would be the Americans who would decide who would come in or out of the gate in that fence. They would decide what would come in and go out through that fence. Without being any way anti-American, may I say that there is no way the Canadian mouse can lie down with the American elephant in a North American common market and still keep its options relatively open. We do not want to be prevented from trading with the Pacific area or any area by any power. We must be free to make arrangements with other countries, wherever they may be.

The right hon. member for Prince Albert, when he was prime minister, stressed our right to develop and maintain an independent trading policy with China, Russia and Cuba. Our present Prime Minister (Mr. Trudeau) has travelled personally to Russia, Japan, Australia and Malaysia, and has established formal diplomatic relations with China, although he has not travelled there, and has done all this with a view to expanding Canada's trade options beyond North America. Canada's recent large wheat sale to China is only one indication of the fruits of this approach. I submit it is a fact that the development of western Canada is allowing us to look west across the Pacific and at the Pacific rim. In that context we ought to note the warning contained in the recent report of the Science Council of Canada. Paraphrasing Darwin, the Council said that a country which loses the power to innovate in a changing environment gives control of its future to those who retain that power. Future trade pacts should therefore not only examine our balance of payments, but also strive to develop more balanced employment opportunities for Canadians, opportunities particularly in the fields of industrial research and development, design, marketing and engineering.

One hundred years ago the west provided Canada with the opportunity for development. That was a challenge indeed. Today, the west provides Canada with renewed opportunity for development. I refer to the challenge of meeting and trading with the peoples of the Pacific rim, as I have said. If we are to meet this challenge, all of us must break out of our present mould of Orthodox thinking patterns which have been established for 100 years, just as earlier builders of Canada also broke loose from their traditional views and ways of living in that settled part of the country that first became Canada.

A consensus is emerging in Canada that we should learn to specialize in industry. The problem is to decide where to specialize. If I may get back to the Science Council of Canada, Mr. Speaker, it has been pointed out that Canada's two fundamental strengths are her increasingly skilled population and her wealth of natural resources. The Science Council recommends that any strategy to develop our manufacturing should be built on these two strengths and should specifically stress technologically advanced manufacturing in fields related to our production of resources. I think that this is a strategy which is available to Canada largely as a result of our resource rich west. We must build our strengths, and our strengths are our resources plus our skilled citizens. It is not enough to just create jobs. We must build industries which can survive in the modern world, which can compete in export markets and which can provide the type of productivity and high wages that modern Canadians demand. Our high wage-high productivity industries are largely related to our resources.

• (1620)

It is sometimes hinted that western Canadians are short sighted, that we want only to export our raw resources without developing any manufacturing; that we worship foreign ownership and foreign capital. I submit this view is wrong. Western Canadians are concerned vitally with resource conservation because resources are the basis of our existence. We are equally mindful of the problems of pollution. We are constantly in search of ways to develop manufacturing for our people. However, we are aware that outside ownership and capital, whether from the United States or eastern Canada, does little to help develop our manufacturing when outsiders seek only to export our raw resources. The argument of foreign ownership is completely and utterly beyond any interest to us. We want the terms of ownership defined and to ascertain how much we can get out of that ownership. It really does not matter whether it is American, German, Canadian or anything else. There has to be a means by which we have an opportunity to share in the decision making process.

The Economic Council also said that free trade rather than tariffs is in the interest of all Canadians. Western Canadians, who always had to live with free trade markets, would not have been able to do so if we went ahead and glad-handedly built up inflation the way some people say we should. We would not be able to live at all. We want free trade markets. We say amen to this recommendation of the Economic Council.

The constitution of Canada gives ownership and control of resources to the provinces. In the last resort, this simple legal fact gives immense power to western Canadian provinces in this time of rising demand for resources. I am confident that the people of western Canada are willing to join with other Canadians in a united, federally-led industrial policy on foreign ownership, resource and manufacturing development as long as this policy meets the legitimate needs of the modern west. Without such guarantees, why should we westerners permit the insensitivity of United States capital to the nature of Canada to be replaced by equally, if not more, insensitive eastern Canadian capital?

Modern Canadian industrial policy must, in short, provide a means of investing Canadian money and technology in western Canada to help us develop employment opportunities for people who live on the Prairies and want to stay on the Prairies, people who live in British Columbia and want to stay there, as well as people who live in the north. Canada must develop transport facilities and assist with freight rates so that western industries can develop our north and sell into foreign markets.

This policy, of course, must not stop at mineral and energy resources. The western farm economy also offers manufacturing opportunities for machinery, meat processing, feed products and fertilizer. We must adjust to the reality of the great distances in this country. Skilled federal civil servants should not all be confined to Ottawa. They should be spread around a bit so that the goods and services can help the prosperity of people all across Canada, the people who are paying for them. National Crown corporations should be headquartered outside of Ottawa. We should start with that. We have had a good indication of the attitude of this government. I say that the pressure should be maintained, not to rob Ottawa of any of its glory, but to see that it does not get any more glory than that to which it is entitled. The rest of us should get a little piece of the action to which we are entitled because we pay for it.

Today the opportunities for a new industrial strategy offer a chance to refute the old point of view that the rest of Canada is a futile backwater for Toronto and Montreal. Needless to say, in this field as in others, the relevance of the Canadian experiment is clear far beyond our borders. In our era, it is indeed timely to demonstrate that different regions as well as different cultures can live united and free, without stifling uniformity and centralized industrial control from head offices located only in the world's largest metropolitan centres.

A national policy for rural Canada appears to be developing that clearly acknowledges the rights of rural citizens to certain guarantees during this period of change that is sweeping the world; the right to participate in determining their future; the right to security in an era of change; the right in the case of older families to continue living with dignity and honour in their traditional communities if they so desire.

The present government, led by the Prime Minister has begun to move in almost all the areas I have examined today. Starting with his first-hand experience of the legitimate aspirations of Quebec, the Prime Minister has learned very quickly that parallels to these same aspirations are to be found in other regions of Canada. I believe he has seen, too, that industrial and service employment must be provided outside our large metropolitan centres if our quality of life is to be improved.

We must all grasp the implications of the new ballgame the world is playing now. The United Kingdom is engrossed with Europe. The United States is trying desperately to adjust to the facts of life that have crowded in on her during the past few years. Canada is on her own in a sense that she has never experienced before. These are challenging and exciting times. If we hold on to our nerve and use wisely all the assets we possess, surely we can enter successfully the contest offered to us by His Excellency in his Speech from the Throne. Let us move forward. He said our challenge is to remove the barriers that create isolation in Canada and the world, to help each Canadian to fulfil his own potential and to ensure that the image of Canada becomes more and more one of compassion and promise.

Hon. Paul Hellyer (Trinity): Mr. Speaker, I had hoped that the Speech from the Throne would indicate that the government at last is prepared to come to grips with the Canadian economy. Unfortunately, that was not the case. It merely included some pious platitudes given to His Excellency to advise us that we have had to deal with some unusually difficult economic problems in the past year. That we already knew, Mr. Speaker. What the Speech from the Throne did not say was that most of the economic problems were directly or indirectly a result of government policy. Also, we were not told that by any objective standard we failed miserably in coping with the situation. If the government's performance were graded with the same objectivity that is expected in the academic world, its grade would be F minus.

Unemployment is now at 7.7 per cent. As hon. members know, in some parts of the country it is much worse than that. In the province of Quebec and in some parts of the Atlantic provinces, the rate is exceptionally and unusually high. It is too high for the economic and human wellbeing of those parts of our great country. It is too high to build the kind of bridge of unity that we want to see in Canada.

At the same time, the rate of inflation is back on a year to year basis at 4.9 per cent. In other words, Mr. Speaker, the inflation level is now higher than when this whole inhumane exercise was begun in 1969. It is not unfair to blame the present mess on the government and its policies. I say policies rather than policy because it is a series of legislative and other policy changes which has brought us to the present sad and chaotic situation.

One of the first and at the same time disastrous errors in judgment was the tight money policy of 1969-70. What did it accomplish? It put a few hundred thousand people out of work unnecessarily. These people have been denied the right which should be theirs in an industrialized and supposedly civilized society to contribute to that society in a meaningful way. They are deprived of one of the most important human needs, the necessity to be useful, to be part of the show. This is an intolerable situation for everyone who is denied the right to participate, but particularly for the young people. They are highly educated, very idealistic and determined to build a better, more just society. They are denied the chance to become involved.

Many of them drop out, no longer convinced of the value of education.

• (1630)

To increase unemployment to its present totally unacceptable level at a time when it was known that the number of young people who would be looking for work would reach record proportions was either gross stupidity or subversion. While the human consequences of a tight money policy are of the highest importance there are economic consequences which are of real significance as well. Canada is losing production at a rate of $3 billion or $4 billion a year. If we multiply that figure by three or four, the sum is staggering. In the life of a normal parliament our loss would be somewhere between $12 billion and $16 billion in real terms. This represents almost $2,000 for every working Canadian.

Another consequence of the tight money policy has been additional take-overs of Canadian companies by Americans. The small independent Canadian operator is no credit match for his wealthy American cousin. When the squeeze comes it is the small independent Canadian businessman who is forced to sell, often on terms which are less than just.

But the tight money policy is not the only contributor to the present uncertainty. We are witnessing the effects of a federal-government-supported welfare policy which in its application provides a higher cash income than minimum wages in many parts of Canada. In addition, our unemployment insurance policy contains within it some grotesque anomalies. It was designed to help unemployed persons who could not get work, not to subsidize a few months off for people who have worked for a while and then wish to take a few months off. When welfare and unemployment insurance pay more than jobs there is no incentive to work. This, unfortunately, is the situation in Canada today. Many of the jobs which are available are offered at wages which are well below the cash income available from either unemployment insurance or welfare. Consequently, many jobs go unfilled. This is ludicrous, of course.

The uncertainty with respect to tax legislation also took its toll. Many businesses were sold to foreigners. Canadian entrepreneurs are losing heart. They are discouraged, and consequently no longer willing to take the risks associated with expansion. They are distrustful of changes in labour laws, in the Unemployment Insurance Act, in the proposed competition legislation and in the tendency they see toward the concentration of arbitrary decision-making in Ottawa. Consequently, investment which would otherwise have involved hundreds of millions of dollars will not take place and thousands of job opportunities will be lost.

In summation, the Canadian economy is in big trouble. We are cursed with high unemployment and high inflation at the same time. A marginal improvement in one has greatly exacerbated the other. In fact, by objective standards the Canadian economy is the worst managed of any major nation in the western world. Our increase in productivity per person is the lowest. Our unemployment is the highest and even the price performance, which was quite good in the long term, is now pretty well out of control.

To those who think the system is at fault, let me say it is not; it is the management of the system. What is required is a commonsense approach. The situation today is far from satisfactory. At a time when there are hundreds of thousands of Canadians drawing unemployment insurance and tens of thousands living on welfare, when it snows one cannot get the snow shovelled, when one needs to travel one cannot be sure that planes will be operating, when one sends a letter one cannot be sure it will be delivered within a reasonable length of time, when one goes shopping one often has to wait interminably in line for a check-out. If a person moves to a small town or a new subdivision he may have to go without mail altogether. If a man writes a letter to the government it may not be answered, and in the summertime, if he lasts that long and if he wants to go swimming, he may find the water polluted. All this frustration, inconvenience and lack of service at a time when hundreds of thousands of people are living on unemployment insurance and welfare! Something is desperately wrong.

It is time we took off the band-aids and began treating the disease. To do this a whole series of fundamental changes in direction is required. In the limited time available this afternoon I shall mention just a few. First, we have to get minimum wages increased until they are higher than unemployment insurance or welfare. I realize there are some technical problems involved in doing this but in the end there is no alternative. It must be done. We must provide an incentive to work for the average Canadian. He must not be placed in a position where his cash income after taxes is greater when he does not work than it is when he is following useful employment. Second, we must change the Unemployment Insurance Act so as to eliminate many of the existing practices. Some years ago a commission called the Gill Commission drew attention to a number of abuses. Its recommendations were largely ignored. Unfortunately, the new act passed by parliament last session is worse than the old one. Unemployment insurance was brought in to provide insurance for people who could not get work and who lacked sufficient income to live on. It was not intended to supplement the incomes of people who had enjoyed an income above the average during months of seasonal employment.

I understand that one of the officers of the fishermen's union in British Columbia is upset because of an example I gave recently. The example was that of a young fisherman who owns a boat and who fished last year for 70 days. His gross take was valued at $54,000, of which he gave 15 per cent to his mate in accordance with a contract. The cost of his expendable stores, gasoline, food, and other items including depreciation on his boat was $5,000. The rest of the money was put in the bank. During the winter he took a course under the Department of Manpower and drew unemployment insurance for the balance of the winter when he and his wife were not vacationing in the south. This may not be a typical case, but it is true. It is not illegal, but a law which permits a practice of this kind is a stupid law and one which should be changed.

Then again, there must be rates of taxation which encourage people to work. This is just as true in the case of an old age pensioner living on an income supplement as it is in the case of professionals and managerial people.

There has to be an incentive to work, to perform. We must provide incentives for business to expand. Businessmen must be able to plan ahead in the certainty that the rules will not be changed too abruptly or unnecessarily. Finally, and most important, monopoly power must be effectively controlled. I suggest this because there is no way in which full employment can be financed otherwise without inflation. I pause at this point to define full employment. In the context in which I am using it, the expression means about 97 per cent employment; in other words, about 3 per cent unemployment, as experienced in the period of the early post-war years. The government's present approach is unworkable. Big, powerful unions must limit their demands and big, powerful companies must pass the consequent savings on to the consuming public.

• (1640)

I was interested to hear the speech of the hon. member for Oshawa-Whitby (Mr. Broadbent). Although he applauded some of my earlier statements, I am afraid that the economics he described for us this afternoon came from the London School of Economics at a time when it was less than up to date in its outlook. It is the kind of economics that is really not relevant in the world in which we live. I think it is possible to finance full employment without inflation today, but first of all we have to look at the real world in which we live, not at the world of a few decades ago.

In doing research for my book "Agenda: A Plan for Action", I found in only three of the 15 countries surveyed an unemployment figure that was higher than 3 per cent on average. Those three countries were Canada, the United States and Italy. The average rate for the 15 was about 2 per cent, and of course many of them had a much better performance than that. Canada had the worst rate of the 15. So I think it is fair to say that we do know how to finance full employment.

When I say we know how to finance full employment, I am speaking of orthodox economics. The average orthodox economist knows how to work demand management in such a way that the full utilization of resources can be maintained. This has been proven in many parts of the world. It has been proven in Japan, Switzerland, Germany the Nordic countries, in Australia, in New Zealand and many other countries. What we do not know how to do is to finance full employment without at the same time breeding inflation. However, contrary to the widely held view that this is impossible, I believe it can be done.

First of all, we have to recognize the nature of our economy. We have to recognize that it is a split economy. It is not a total market economy: it is an economy in which part is market and part is rigid. We have to recognize that some wages are set by individual arrangement and some wages are set by union contract. We have to recognize that some businesses operate on the basis of price competition and that some of the giant industries are big enough to control market prices and conditions.

In our economy the big, powerful unions use their monopolistic power to push up costs. Then, the big powerful industries push prices up to compensate. Some people insist that it works the other way round, but it does not matter really for the sake of our argument here: it is a vicious spiral that has to be stopped. As costs and pricses rise in the monopolistic, or, if you prefer, the oligopolistic sectors, the Bank of Canada is faced with a dilemma, and that dilemma is this. It can either finance full employment with high inflation, or it can finance less than full employment with slightly less inflation. The compromise is the famous and classic trade-off of the economist.

This is not the time nor the place to comment on the usefulness of Senate studies, but I was very disappointed in the recent report issued by the Senate committee on economics in which it perpetuated what I believe to be a myth. In referring so strongly to the Phillips curve and the trade-off theory, I think it has helped to give credence to the idea that there is no better way of doing things, that in fact for all time we are plagued with this anomaly of either having too much inflation or too much unemployment, or some combination of the two. Of course, socially as well as economically neither alternative is satisfactory. If we were to have 6 per cent unemployment for an extended period of time, it would be socially disastrous. It would create a situation in this country where a whole generation would lose hope, would give up, and almost anything might happen.

If, on the other hand, we were to permit inflation at the annual rate of, say, 6 per cent—which on the basis of the present wage settlements in Canada is likely to be the case—then at the end of the century, after about 30 years, a person who today is earning $10,000 would need $57,000 just to stay even. Today's $20 bag of groceries would cost nearly $115. A home now selling for $25,600 would jump to more than $147,000. So I think the consequences of such a rate are really tremendously important, and therefore we have to project any thinking into the future now in order to adopt policies that will prevent this from happening. As I said earlier, I do not think it needs to happen, but we must act now.

If where union power exists increases in wages, including fringe benefits, are limited to the average increase in productivity for the whole society, and if the profits of the big oligopolies are limited to the long term experience in that industry to ensure that the benefits of lower wage costs are passed on to the consumer, then it is possible to pursue the twin goals of full employment and zero inflation at the same time. Unless monopoly power is limited by the public interest, there is no way this can be done. But if it is done, then what happens, of course, is that prices in the big industries will decline slowly but consistently. The price of cars, farm machinery, refrigerators, washing machines, vacuum sweepers, glass and cement will all decline over the long period at a steady rate, whereas prices in the service industries, such as cost of hair cuts, medical and dental services, police and fire protection will continue to rise. But when you take an average of all these things, the prices that are declining through use of technology and capital and the prices that are rising in the service industries will average out at zero. This means that to all intents and purposes you will have zero change in the composite price index.

If we are to follow policies along these lines it means we will open up a whole new horizon for this country. It will present a situation where we can have the full utilization of resources with maximum freedom of choice. We can then have a decentralized system where power is decentralized from this level of government to lower levels of

government, and then from lower levels of government to the people themselves. The ordinary people will be given more control over their own lives and will be given a greater say in their own destinies. And that, Mr. Speaker, I think is what most of them are looking for today.

It is a recognized fact that as government gets bigger it becomes not only more inefficient but also more remote, more impersonal and more insensitive. This trend must be reversed. It is not good enough just to change direction in two or three areas; the trend has to be reversed completely. We must go in the opposite direction to the direction we have been taking for the last 10 to 15 years.

If we do reverse this trend and use just a few simple macrocontrols to maintain an economic climate of expansion and opportunity, we will be in a position to do many of the other things we want to do and to solve many of the problems that concern us most. On the negative side, we will be able to abolish the bureaucracy that is now involved in the welfare system for employables. Since that will not be required it will be eliminated. Of course, some income will be required for the unemployables, but as far as the employables are concerned it will not be necessary to perpetuate the present welfare system because jobs will be available for them. Similarly, the Unemployment Insurance Act can be revised in such a way as to eliminate the present anomalies which I think are unacceptable to so many Canadians.

Then, on the positive side we would have the resources to do those things we want to do. With the extra $3 billion to $4 billion a year available to us in real terms we would be able to get on with the job. We would have the necessary resources really to attack poverty, to do something in a determined way about poverty. It is a matter of regret that we have more relative poverty in Canada today than we had a few years ago when the anti-poverty campaign was begun.

In addition we could do something tangible about the slums that exist today. Over a period of a few years we could eliminate every slum in Canada and make this a realizable goal in this country. There is no reason why we should have people living in shacks.

• (1650)

Some hon. Members: Hear, hear!

Mr. Hellyer: It was one of the most profound experiences of my life when travelling with the task force on urban development to see Canadians living in buildings which most of my farmer friends would think unfit for animals. This is the kind of degradation which should not be allowed in a country like ours where we have the resources to provide decent housing. If we were to go to the zero inflation solution, then interest rates for the National Housing Act would drop by about one-third and it would once again be possible for ordinary people in Canada to aspire to ownership of their own home. It would not be a dream beyond them. Once again we could give the ordinary people a range of choice. We would also have the resources to attack pollution control in a determined way, to organize it and get on with the job of cleaning up our lakes and rivers and our environment, protecting it and saving it. It is the only one we have and we should treat it with great care.

Finally, we should move in the direction of a strikeless society. We should substitute the rule of law for the rule of the jungle. We should end the organized blackmail and put people first. I think this is what most Canadians want to do. I think this is the way to significant, positive Canadianism. I do not think we will ever achieve greatness in this country by anti-Americanism or anti anything else. I think we can be proud to be Canadian by doing great things here and by pursuing excellence in areas within our capability. There is no better place to start than within the economy by bringing it from the position of the worst managed economy in the world to the best. Then, people would come from other countries to see how we do it.

Having laid the foundation, having put down the cornerstone, we would be in a position to get on with the job of building a better society. We could enlist the resources of our young people and give them an opportunity to use their idealism and creativity to build the kind of society where human values are put first. To do that, the foundation must be well and truly laid. That is the reason I make the suggestion that we should change completely the totally inadequate policies of the last few years, reverse them and get on with building a more dynamic society in Canada, the kind of which all of us, especially our young people, can be proud.

Some hon. Members: Hear, hear!

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Laniel): Order, please. It is my duty pursuant to Standing Order 40 to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Vancouver-Kingsway (Mrs. MacInnis)—Bridges—Vancouver Harbour—Government financial contribution to construction of proposed third structure; the hon. member for Central Nova (Mr. McKay)—Fisheries—Possible variation in lobster season, District No. 5, Nova Scotia; the hon. member for Regina East (Mr. Burton)—Canadian Pacific Railway—Removal of station agents, Saskatchewan and Alberta—Consideration of nature of undertakings by company in review.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed consideration of the motion of Mr. Ross Whicher for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Stanfield (p. 34), and the amendment to the amendment of Mr. Caouette.

Mr. H. E. Stafford (Elgin): People who say they stand for an independent Canada are repeating a threadbare platitude mouthed by politicians from the first day of confederation. The quickening tempo of the debate on economic

nationalism in the last two years is a matter of great concern to me. Many of the economic nationalists present the same myopic outlook as did Great Britain in the 1770's when she was willing to trade all British North America for the Island of Guadaloupe. This is hardly the time to support economic nationalism in the face of the grim realities of an interdependent world.

Some hon. Members: Slower.

An hon. Member: Translation.

Mr. Stafford: Everything has its price, and we must measure the price. We could not have obtained the second highest standard of living in the world without American investment, technological know-how and markets. We have obtained these with a full measure of independence. Travel all over the world and compare the benefits we enjoy as Canadians; you will not see them matched outside the United States. Irving Beecher found it difficult to escape the conclusion that economic investment was enormously on Canada's side and A. E. Safarin found the net result overwhelmingly in Canada's favour. John Kenneth Galbraith concluded that a corporation will make the same kind of decisions and create the same kind of political climate whether the corporation is American or Canadian controlled. It is obvious that the multinational corporation is in no better position to dictate political policy in this country than large Canadian companies.

Some hon. Members: Slow down.

Mr. Stafford: Canadians will invariably purchase the most modern appliance at the most reasonable price. Foreign buyers are equally demanding. To compete in world markets we must manufacture products that are in demand and to do this we need the benefit of American research and development. Much of the world's technology is generated solely from American ingenuity. The answer is simple; for every dollar we spend on research and development the Americans spend approximately forty. At this time in our history, no amount of Canadian initiative, no intensive concentration on our own research and development will match that which the American is making available to us. Surely the wildest Canadian dreamer could not imagine we can do it on our own, at least for many years to come.

The economic nationalists never tell us what Canadians would have done in the absence of United States investment. Their conclusions on the economic effect of foreign investment are based on generalization, conjecture and assumption and do not come to grips with the complex situation in this country. They rest their case on purely hypothetical arguments. They blindly conclude that our country is being governed in the boardrooms of the head offices of the giant American multinational corporations and not by our three levels of government.

An hon. Member: Faster.

Mr. Stafford: Many members opposite are obsessed with the question of our survival as a nation. In question period and debate they cry out that American control of our industry has now reached the stage of economic domination, that we are tied up in the American straitjacket and, above all, we must seek new trading partners, that the American multinational corporations are buying with our own money and are not doing their share of research and development in our country, that we have lost our political, economic and cultural independence or at the very least, it is in a serious and precarious state, that we have already lost the power to make decisions, that the Americans have even stolen our national game.

It seems to be the "in" thing to criticize American investment today. The media has given so much attention to the advocates of restrictions on foreign investment that many politicians and groups from the Watkins task force to the Senate have concluded that there is a sudden wave of concern about American domination in this country. The average Canadian does not feel he has lost his independence. Millions of Canadians are only too willing to turn on American television stations. In 1968, the report of the Watkins task force calculated that foreigners owned $33 billion worth of Canadian assets in 1964. The report recommended the creation of a special agency to co-ordinate policies with respect to multi-national corporations.

Since then the Watkins manifesto has asserted that the major threat to Canadian survival today is American control of the Canadian economy. It is amazing that Mr. Watkins has not informed us how he would finance his massive program of nationalization.

In 1970 the report of the Commons Committee on External Affairs and National Defence calculated that foreigners owned $50 billion worth of Canadian assets. The committee apparently sensed a rising tide of nationalism and produced a report on foreign ownership recommending that all foreign owned subsidiaries operating in Canada should be required to make at least 51 per cent of their shares available to Canadians. The committee also recommended the establishment of a Canadian ownership and control bureau to supervise foreign investment in Canadian industry with powers so massive, far-fetched and bureaucratic that it startles the imagination.

But of all of them, the Committee for an Independent Canada has to be the most farcical conglomerate of publicity seekers in Canada. These enthusiastic evangelists are trying to win independence by stirring up a national fervor that Canadians today share a surging mood of awareness and a deep sense of national purpose. The committee's seven point statement was designed to catch the imagination of Canadians but unfortunately for the dreamers there is such a thing as reality.

It is one thing to set down broad policies, it is another to generalize as did Professor Rotstein at the conference at Thunder Bay last December, that it is a myth that economic independence will lower the standard of living. The learned professor should unveil his formula so that the underdeveloped nations of the world could attain our standard of living. If natural resources will do it, many of the underdeveloped countries are the richest in natural resources and have the lowest standard of living in the world. Jack McClelland set the tone at Thunder Bay in his oft-quoted generalization that time is short and if we do not achieve a real measure of economic independence our nation is going to die and Canadians, in an intellectural sense, will die with it. Perhaps such a morbid and gloomy forecast of Canada's future could only be matched by the Pied Piper's second trip. If I might be allowed to remind

Mr. McClelland, for a nation that is falling so fast, we still enjoy the second highest standard of living in the world.

It takes little intellectual sense to realize that Canadians prefer jobs to nationalization. I am convinced that those who would restrict foreign investment and the jobs it brings do not represent the feeling of Canadians across the country. The committee would turn the clock back and withdraw from international enterprise. Arguments like theirs may win the emotional battle of the moment, but they will not win the war of logic.

Last year the Ontario government set up a Conference on Economic and Cultural Nationalism. The select committee of the Ontario Legislature was named to inquire into this matter. Most of the witnesses who have appeared have been about as objective as Peter Newman's grandstand approach before the committee of calling on Canadians to assert their independence even if they have to infuriate Americans. This is certainly a novel approach to the technique of selling.

• (1700)

It is interesting to note that all five major candidates in the Ontario Progressive Conservative leadership campaign asserted the question of economic autonomy as being one of the key problems in Canada. At the start of the leadership campaign hon. William Davis said that Canadian control of the economy was high on his list of priorities and called for a conference on foreign investment. In the Speech from the Throne on March 30, 1971, the Ontario government expressed the following belief:

The people of Ontario should have at hand the means whereby our own economic, cultural and social objectives and priorities are determined in Canada by Canadians.

In January, 1972, Premier Davis said at Windsor that he would establish a solid position in favour of greater control of the Canadian economy by Canadians and that we must have made ourselves highly vulnerable to American economic policies. On January 25, 1972, the premier said in New York that Ontario is firmly committed to the principle of Canadians gaining control of their economy and that foreign ownership has sparked a national sense of urgency in Canada.

On the same day, in Vancouver, the Leader of the Opposition (Mr. Stanfield) called on the federal government to set guidelines on foreign policy, particularly in its relations with the United States, to ensure our survival beside a giant. Last December the Science Council stressed that the government should have an over-all industrial strategy. The Senate report on science policy, issued in January, urged that by 1980, 2.5 per cent of the gross national product be spent on research and development. Such added expenditures will raise the cost of the product, jeopardize Canadian enterprise and add little to the total North American technological development. This total expenditure will amount to less than 5 per cent of the American expenditure on research and development. At the most, we will be following the beaten paths and discovering things that already have been discovered.

It makes little sense to plow fields that have already been tilled. The rate of change is so great that even the total resources of the Canadian government could not meet the American contribution and keep abreast of the times. It is time we realized that the American multinational corporation has succeeded in making technology international in conception and international in distribution. Von Braun was the father of the V rockets and the landing on the moon, and Einstein was the father of atomic energy, but this does not make these achievements less useful to the Americans.

Before we build a wall around ourselves we must first catch up with the Americans and then spend over $30 billion per year on research and development, just to keep pace. We will also have to do something to attract the best brains in the world, as our friends to the south did. We accuse American subsidiaries of failing to carry out their fair share of research and development. Of the total business research and development spending filed under the Corporations and Labour Unions Returns Act in 1967, 44 per cent was performed by American companies and 35 per cent by Canadian-owned companies.

The economic nationalists have developed a statistical hysteria in pointing to American ownership in industries such as petroleum, motor vehicles and aircraft which necessitate huge amounts of investment capital, but they seldom refer to the fact that under the 1967 returns the Americans owned 19 per cent of Canadian corporate assets. Canadians did not choose to spend risk capital in the development of the oil industry in this country. Before Leduc was discovered on February 13, 1947, an American subsidiary, Imperial Oil, drilled 133 dry holes at a cost of $23 million. Since Leduc, the Alberta treasury has collected $3 billion in oil and gas revenue and oil, gas and related industries have expanded to the benefit of Canadians.

We have not been without our chaotic experiences in research, development and innovation. The heavy water plant in Nova Scotia is an example of a monumental economic and engineering blunder resulting in heavy financial loss. The Avro Arrow program was a complete disaster. By the time it was scrapped in 1958 it had cost the government $400 million and would have cost as much or even more to put it into production. There were no buyers except for the RCAF who agreed to buy 100. Not a single NATO country was interested in Canada's pride and joy. The CF-105 was scrapped and 14,000 workers were laid off.

The problem, of course, is money. Research and development cost money and there are risks to be taken which few Canadian companies can afford. When the Edsel failed as a commercial venture, the Ford Motor Company carried on. When RCA Victor spent $140 million on an experiment that failed it, too, carried on. Canadian companies are not yet in a position to meet such challenges. The gloomy hypothesis of many economic nationalists is that so much of our independence has been bartered away that it is almost too late to save Canada.

Time does not permit me to review the rantings of all those who feel they are on a bandwagon. These nationalists are moving to a new style of patriotism, a new mood of economic and cultural nationalism. They are trying to make their concept the new fashion in a bid to influence public opinion. In their minds foreign investment has become almost synonymous with American investment. This is difficult to understand in view of the fact that we emulate the Americans in so many ways. The public has accepted their styles in everything from music to motor cars. We have followed their lead in everything from a

ban on phosphates to a proposed ban on advertising of tobacco.

When Canadian nationalism has reached the point where a member of the staff of Queen's University can seriously conclude that Mrs. Levitt's book "Silent Surrender" presents the most scholarly and convincing analysis of American ownership and control of our economy, emotion has indeed succumbed to logic. I am not against dissent. In most cases dissent is healthy. In any society there are wrongs to be righted, and out of the whole mass of dissent there emerges a stream of new ideas. But there is a great tendency for nationalist feelings to obscure the issue. The emotion it arouses causes the economic nationalist to close his mind to the real needs of a changing world.

The answer is simple: we need American technology. The United States has such a head start in technology that they are forging ahead in astronomical proportions while other countries are vainly trying to catch up. They will not mark time in technological development in order to give us the time to match their technology, and if we do not match their technology there will be little demand for our manufactured goods. This would present a critical situation, as Canada must export to survive and the Canadian consumer would hardly be content with inferior products.

At the beginning of the century, when United States' technology was in its infancy, we might have gone our separate ways. It is hardly feasible now. To do so would be like trying to run a mill with water that has already passed downstream. Technology has not been spread evenly over the ages of history. When the industrial revolution started in England, the steam engine made the first powered means of production possible. This resulted in new factories producing goods at a fraction of the cost of the old, traditional methods. A group of people called Luddites considered the machines a threat to their livelihood and their answer was to smash them. This was a wholly negative approach and one that brought disaster on the Luddites.

But it did not stop the march of progress and there has been a low, steady and progressive climb to the affluence of today. The United States has carried on and has created a technology which is staggering to the human imagination. In the next ten years scientific knowledge is expected to double, and if it is to double in Canada the majority of it will have to be imported from the United States. At the present annual growth rate of 4 per cent per annum, the standard of living in the United States will reach staggering proportions by the second half of the twenty-first century. Canada, more than any other nation, will share in this enormous economic and technological advance.

This affluence will gradually spread to the underdeveloped nations of the world, provided left-wing activists and economic nationalists do not influence nearsighted governments to build walls around their countries. There will be no shortage of resources because increasing technology will develop the capacity to produce substitutes and even basic materials. We are being drugged by the economic nationalists. These self-styled economic saviours of Canada would have us believe we should save our resources.

[Mr. Stafford.]

Our natural resources are of no use to the people of Canada, or anyone else, as long as they are sitting idly in the confines of mother nature. They must be extracted and incorporated into goods. In essence, our real wealth is our ability to produce. Our competitive position depends on our technological and scientific achievements, which in turn depends on brains and money. Napoleon once said that God is on the side of the big battalions. In the war of world markets, the advantage is going to be with the country with first-class brains and investment capital.

Obviously, the United States occupies the paramount position and we are fortunate to share a common border with that country. We can be associated with it and maintain our dignity and independence. There are no two countries in the world who share so much in common on the basis of culture, economics, politics and ethnic origins. To those who keep raising the bogey of American ownership, we have our fiscal and budgetary policies that can deal with any inequities or adverse effects of American investment. The economic nationalists speak of American investment in terms of dollars, instead of the importation of American research and development which is really the major part of the American investment and the source of employment for hundreds of thousands of Canadians.

We are living in a world of ever-increasing competition and this competition is coming from countries which have the benefit of American capital and scientific knowledge. The most costly thing in the world is scientific research and development, and the fact is that there is no other place where we can get it. The economic nationalists never tell us of the cost of buying and licensing of American patents which are now coming into this country through U.S. subsidiaries.

• (1710)

Some hon. members opposite say that we have the money and technology. To some extent it is true, but it is mainly because of the American presence. If we develop policies whereby Canada and the United States diverge in two separate courses, the technology gap will become greater every year. Anyone who suggests that there are hundreds of thousands of Canadians who are willing to see this happen and give up their standard of living to buy Canada back is living in a dream world.

It has been said that politically and economically the motive of self-interest is the mainspring of human conduct. This is the motivating factor behind our technological development. The stout hearts and sharp swords of today are those who make the sacrifice to forge ahead in a continuous surge to open the door to new knowledge. Neither management nor labour is prepared to accept a decline in its standard of living for purely sentimental reasons. Where are these thousands of Canadians? I can tell you: they are sitting down earning fat, academic salaries out of the public purse, arrogating to themselves a unique understanding of the Canadian heart.

The average Canadian does not live in fear of the culture of or domination by the United States. The economic nationalists are misreading the temper of the Canadian people. It is absurd to say that this House is under American domination. I saw no American domination in our decision to pass the Arctic Seas Pollution Prevention Act. There were was no American interference in our decision

to cut our NATO forces in half; no American domination in our decision to devalue and later unpeg the Canadian dollar. I did see a very tangible assistance in 1967 to sustain the Canadian dollar.

I saw no domination but I did see American consideration for our economy in July, 1963, when we were the only country in the world to be granted an exemption from President Kennedy's interest equalization tax. I saw no domination when the United States enacted a defence-sharing agreement with us in 1959 which helped us in our balance of payments. I saw no domination when the United States approved the auto pact agreement with us in 1965 although it affected the American blance of payments. The reverse has usually been the rule. In cases where the United States has imposed any restriction which threatened to hurt our economy, we have pleaded our special relationship as a reason for exemption.

For over 18 months we have been awaiting a study known as the Gray report. Press information indicates that the report will recommend that the government set up a screening agency to pass on foreign investment proposals with power to block foreign investments, take-overs and licensing agreements. There are obvious popular advantages to the formation of such a screening agency, but there are many practical disadvantages. The decisions of such an agency or board will consume time which is usually of vital importance in making effective corporate decisions. The natural bureaucratic meddling will create uncertainty and confusion. The number of purchasers will be reduced and the sale price of the industries involved will suffer. It will present a built-in sounding board for the economic nationalists and other pressure groups to keep competition out of Canada. But most dangerous of all, such a board could be used as a tool to promote regional expansion. All of this is in marked contrast to the conclusion of the Royal Commission on Banking and Finance, the report of which was published in 1964 and said that we must be alert to development which would lessen competition and threaten its vigour.

All that economic nationalism does is feed the people's spirit, not their stomachs. The wealth of a country is really in its productivity. If American capital coming here is diverted elsewhere, it simply means it is being put to work to produce goods in competition with our own.

We are misplacing our priorities. If we would spend more time providing incentives for industry which will attract both foreign and Canadian investment than we do on planning new laws for the creation of such a regulatory bureaucracy as a screening agency, we would be pursuing a more favourable economic policy.

It seems to be a fact of life that the most rampant economic nationalism comes when we can least afford it. The Economic Council has forecast that 300,000 jobs will have to be created for each of the next five years if we are to reduce our unemployment to 4 per cent. This will require new investment equal to our gross national product of 1968 of over $70 billion. This amount far exceeds the total assets of our whole Canadian banking system.

There are many improvements we can make. We can study the American presence in Canada and copy their managerial, financial and entrepreneurial skills, or we can heed the economic nationalists and witness the erosion of our entrepreneurial drive and the decline of our self-confidence. We must study the best methods to ensure our access to American and other markets on the best possible terms. We must continue to ensure that we have a climate for investment capital.

One year ago the Prime Minister (Mr. Trudeau) said in a television interview in Regina that foreign ownership is a means of giving this country access to sophisticated technology that would not otherwise be available. For years we had a deficit in our balance of trade with the United States. Now our industrial capacity has increased to the point that in 1970 we had a surplus in our balance of trade with the United States of over $2 billion. In that year, it is equally important that over 65 per cent of our exports to the United States were manufactured goods.

In the last 25 years our working force has doubled. In the last 40 years our gross national product has increased 20 times. Our productivity and our living standards have been raised substantially by the development of technology and trade with the United States. The economic implications have been great: they are larger markets, greater output and higher wages for Canadians.

In face of all this, it is with a sense of frustration that we hear the economic nationalists cry out the passionate plea that we must protect our national identity. One of the great symbols of our national identity is, surely, our growing and increasing standard of living in this country. We may have our grievances with the United States, and I suppose we always will, but I have never known of a President of the United States who wanted a poor and destitute neighbour to the north. It is to their advantage to have us rich and prosperous. They could not trade with a poor neighbour. We share in common the two highest wage areas in the world, and trade will flow more naturally between us than with other nations of the world.

For years we have welcomed American subsidiaries to Canada. Many came here to avoid tariff barriers and some were given incentives to locate in Canada. They brought investment capital and technology which in turn provided jobs for Canadians. We have been able to keep them in check with our tax, labour and pollution laws. The head offices of these giants create no votes for us and we would be the first to shout if they were not obeying our laws. I welcome the multinational corporations to Canada as long as they invest to build and not to exploit. If they build, we are the beneficiaries.

The Japanese have been successful in creating joint venture ownership by attracting foreign venture capital and matching it with their own. They get half the American capital and all the American technology and match the American capital with their own to retain control. We can create the same situation in Canada if we want to pay for it. There is, however, the added incentive for American corporations to move to Japan. Why? To keep down production costs. The Japanese worker does not enjoy the standard of living of the Canadian worker. He works in a low wage area and lags behind the Canadian worker in everything from plumbing facilities to cars per capita.

As for the American government, all this combined with defence spending which has amounted to $1,200 billion since the war, and foreign aid which has amounted to $134 billion since the war, has economically put the ox in the

ditch. It has created the highest rate of unemployment in 10 years, devalued the dollar, created a deficit in the balance of trade in the amount of $3.6 billion, and created an astronomical deficit in the balance of payments in the amount of $29.6 billion for 1971. It has put their national defence in jeopardy, wrecked their domestic program and increased their national debt. In the four years of the present administration there will be $100 billion added to the United States national debt.

The multinational corporations are injurious to American policies as they are responsible for a great flow of both American dollars and technology out of the country. If the United States kept their technology in their own country there would be more jobs in the United States and perhaps a balanced budget. The multinational corporation creates jobs in Canada.

The only meaningful theory is the one that works in practice. The multinational corporation is successful because it combines skilled management with technology and gives Canada access to world markets and capital. Any corporation, be it Canadian or foreign, which outperforms its competition by sound competitive practices and business principles is operating in the national interest.

• (1720)

After January 1, 1973, there will be ten members of the European Common Market wherein 257 million people will be united in the world's most powerful trading bloc. Just as the French were fearful of integration 15 years ago and that their industry would be overwhelmed by the Germans, there was British opposition that their industry would be smothered by continental competition. France has prospered in the community, and British entry speaks for itself.

The application of the common agricultural policy in the community has restricted Canadian exports of grain and other products covered by the variable levy system. British entry will undoubtedly hurt Canadian exports because Britain will obtain a much greater share of her food requirements from other community countries. The enlarged common market will make trade easier among its members, but it will raise barriers against outside suppliers.

Whether we like it or not, the multinational corporation is becoming a way of life. In the European community there were 820 mergers of continental firms with outsiders between 1961 and 1969. By the end of the century, it has been suggested that between 300 and 500 giant corporations will control one half to two-thirds of the free world's industrial production. We are not only competing with industrial giants whose technology and productivity is steadily increasing, but also with the trading blocs.

American corporations are setting up subsidiaries in Europe and are proving highly successful, chiefly because of their experience in high technology production. We are not self-sufficient, as is the United States. We are extremely dependent on foreign trade, especially with the United States. The Canadian manufacturing economy is, in general, less efficient than the United States manufacturing economy, partly because of the economies of scale. Our domestic market is small and we must export in order to take advantage of the economies which large-scale production will give us.

[Mr. Stafford.]

We export $750 worth of goods and services for every person in Canada, over three times the per capita figure for the United States or Japan. About 9 per cent of our exports go to Britain, and we stand to lose part of this when Britain joins the Common Market. The new European Economic Community will develop into an even higher degree of economic self-sufficiency and we will be facing a tough and sophisticated trading bloc with which to compete.

President Nixon's visit to China may well be the forerunner of even more new trading agreements which could siphon off a substantial part of the investment capital presently coming to Canada. The future prosperity of Canada may well depend on the willingness of the United States to share her wealth and knowledge with us.

Ten years from now, if someone should ask us what is the best thing we have done since 1972, let us hope we can answer that we kept pace with the Americans and did not fall behind. President Roosevelt once talked of the border that united us. Let us keep it that way. Instead of moving in the direction of economic isolation, we should be studying the possibility of developing a North American economic community, later leading to a community encompassing the western hemisphere, which could help set us on the road to a full world economic community. This must be our ultimate goal—peace and prosperity for the whole world. Peace and prosperity are indivisible.

Mr. Walter C. Carter (St. John's West): Mr. Speaker, I am happy to take part in the debate on the Address in Reply to the Speech from the Throne and to bring to the attention of the House and the Canadian people some of the problems of my riding and of my province. I congratulate the two hon. members who moved and seconded the Address in Reply, not for what they said but for having had the gall to stand up and say it.

Canadians are all grateful to the striking CBC technicians because the strike spared them the drudgery of hearing the Speech from the Throne. I think the Governor General must have been relieved because he did not have to read that document of literary mush into the living rooms of people across this country. The strike certainly spared him that embarrassment. To me, standing just outside the Senate chamber, it sounded as if he were singing the government's swan-song.

The Throne Speech certainly did not stand this country on its ear. Just like the last three Throne Speeches from this government, this speech was a mélange of things proposed previously but not carried out. Of course, this being an election year, there were a few new tidbits: election teasers were thrown in. However, there was nothing in the Throne Speech to inspire Canadians. Actually, this Throne Speech contained more innocuous nonsense than usual.

I was interested to note the new "in" word of the inner circle— "isolation". It was mentioned so often in the Throne Speech that I felt like someone who had gone down with a bad case of measles. If hon. members recall, in the last Throne Speech Information Canada was mentioned and it was to break all this isolation. What happened to Isolation Canada—I mean, Information Canada?

Mr. Crouse: The hon. member was right the first time.

Mr. Carter: About the only thing specific in the Throne Speech was the promise of three new national parks in the north, but apparently they will be so far away that it is unlikely they will cause any traffic congestion or be trampled down by the public.

I do not expect to see the Competition Act before us in the present session. The Speech from the Throne indicates that the government is going to water it down, if that bill is to be introduced at all. Obviously, the government is looking for ways to stall it. I think they have finally realized that they have bitten off more than they can chew.

I am not sure, either, whether the government this year will bring in its policy on foreign ownership. From the glossy reference to it in the Throne Speech it would appear that whatever policy is eventually evolved, it will be rather modest and probably not very effective. May I point out to you, Sir, and to hon. members that we of the Atlantic region are just as concerned about this so-called foreign investment policy as are the people in the industrial heartland of this country. We in Atlantic Canada require great amounts of investment if we are to shake off our have-not status. We want to make sure that this policy will reflect the regional need for investment and that investment, from whatever source it may come, will find Atlantic Canada attractive.

The people of Atlantic Canada, and especially of Newfoundland, do not enjoy their have-not status, this second-class Canadianism. To me it suggests that the entire concept of confederation is not working and has fallen far short of its original objective, because seven of the ten provinces are declared have-not provinces. Certainly, there are reasons for this. Yet in our particular case, Mr. Speaker, there is no legitimate reason for the snail's pace at which Newfoundland has been moving in reversing this have-not status. On second thought, when one realizes that there has been a Liberal government in Newfoundland for the past 22 years, perhaps there is good reason for it.

Mr. Whicher: What did you have before you had a Liberal government?

Mr. Alexander: I still remember the hon. member's speech.

Mr. Carter: Newfoundland does not intend forever being an economically have-not province. We have resources and we have the people; also, we have determination. Yet what we require, the present government has not given us. The people of Atlantic Canada, and especially of Newfoundland, foresee the day when they will be providing equalization payments to their sister provinces. But that day can come only when the central government in Ottawa has recognized the need for a new deal for Newfoundland in confederation. We do not want handouts, Mr. Speaker. We do not want inflation when we do not contribute to it. We do not want unemployment imposed on us for the inflationary sins of the more wealthy regions of Canada. All we want, Sir, is proper recognition in Ottawa of the unique situation of our province, a situation which can in a few years, transform our province into one of the most productive areas in the Dominion. Sir, the people of Atlantic Canada, those of the have-not provinces and especially of Newfoundland, must be given a chance.

How can the residents of the riding of St. John's West read the Speech from the Throne and conjure up any great aspirations? How do you think the people of the Placentia area feel when they read a 3,500-word speech and find that the only thought that this government has given to unemployment reads:

• (1730)

Unemployment continues to be a matter of immense concern to the government.

What a profound statement for a government that has been in office for almost four years! That sentence follows a description in the most flowery of terms of an economy in Canada about which this government can find no wrong. It is a charade, Mr. Speaker, a shameless one put forward by a dishonourable government. I am sure the people in the Placentia, Jersey, Freshwater and Dunville areas of my riding, where more than 60 per cent of the work force is unemployed, will recognize it as just being just that.

What does the government say it is going to do about this tragic unemployment? It does not say anything. It has not done anything since it was elected in 1968. It will not do anything except create more unemployment. The people in parts of St. John's West, where unemployment is higher than even the province's 18 per cent, will remember the promise made by the Prime Minister (Mr. Trudeau) in his New Year's interview on CTV when he said that if he had it to do again, he would do it the same way. I contend, and I am sure the majority of Canadians agree with me, that Canada cannot afford to have in the highest office of this land a man who will not hesitate to take such vicious and cruel steps to deliberately create unemployment. We certainly cannot afford that luxury in my province.

This government's only answer to unemployment seems to be makeshift, band-aid policies and the provision of more welfare. The average Canadian living in eastern Canada, certainly the average Newfoundlander, does not want welfare. He wants a chance to work, to earn a living for himself and his family with pride and dignity, not welfare and humiliation. There is a brief sentence in the Speech from the Throne where the government says it wants to deal more compassionately with the Canadian people. I understand that is the accusation about which the Prime Minister is most sensitive. He should be. If there is one thing in which this government has excelled, it is in not having compassion. There is another reference, an almost underlying theme, of love and understanding among Canadians. As far as the people in my area are concerned, that applies only to the Prime Minister: he loves himself and only he understands himself.

There is an old saying that when "poverty comes in the door, love goes out the window." How can a child living in St. Mary's Bay understand or get any real appreciation of this government's commitment to a better way of life, the resolution of differences by reason, the practice of tolerance and the acceptance of love and understanding? How can he appreciate that when he can only look forward to the status of a second-class citizen and realizes that his only hope for survival will be to leave the land of his birth,

the environment that has been his and that of his forefathers for generations, and lose himself in the concrete assembly-line jungle to which he is completely unsuited?

Would you want to take on the task, Mr. Speaker, of convincing the fishermen of St. Mary's Bay, Placentia Bay and the Ferryland area that this government is really serious when it talks about the resolution of differences by reason, the practice of tolerance, the acceptance of love and understanding? To our fishermen, who today cannot even put their nets into the water without running the risk of having them destroyed by marauding foreign fishing ships who show neither respect or concern for their lives and property, these are just empty words. How tolerant must our fishermen be? How much longer must they be expected to be reasonable? How much love and understanding must they show? Do you blame our fishermen, Mr. Speaker, if they translate the government's commitment of love and understanding to mean only that Mr. Trudeau loves their taxes and they must try to understand how he uses them?

The fishery, Mr. Speaker, is one of this government's greatest failings as far as we from Newfoundland are concerned. For years we have been promised a 12-mile limit. Our fishermen do not even have this minimum protection, because this government has refused to stand up for our rights. For 3 years, since my Newfoundland colleagues and I were elected by the people of Newfoundland to represent them here in Parliament, we have been almost daily stressing the need for management and conservation of our fish resources and of the desperate need for protection of our inshore fishermen.

The government has pretended to listen. They have taken some steps, but these have been mere window-dressing compared to what is really needed. We can come to only one conclusion. Those of us from Atlantic Canada, where the fishing industry is important and where we see foreign fishing ships move in and destroy our basic resources, can only conclude that the present government is gutless when it comes to standing up to foreign nations who rape our resources and recklessly destroy the gear of our fishermen. It is no secret: for the past three years we have been saying that our fishermen expect more than a 12-mile limit, although the hardy fishermen in Branch, St. Bride's, Admiral's Beach or Southern Harbour would be happy if they could get even that. What we need, Mr. Speaker, is at least a 100-mile fisheries protection zone around our coast, just as Iceland has.

I am at a loss to understand the attitude of this government, the Prime Minister and the Secretary of State for External Affairs (Mr. Sharp) in particular. They recognize our rights with respect to the airspace above the waters off our coast. They lay claim to the oil deposits on the shelf below the water. But why in the name of God can they not recognize the fact that we own the resources in those waters, the fish? Why are they allowing every other marine nation in the world to come in and take away this resource which, if properly managed and encouraged by the government, could be a valuable input to the gross national product of this nation?

As one of my constituents in Bay Bulls said, "Feed some fish to those Liberals; it might give them some brains." I am inclined to agree.

Some hon. Members: Hear, hear!

Mr. Carter: In the Speech from the Throne, the government has taken credit for what they describe as "substantially improved prices to fishermen, upwards of 50 per cent in some cases." I would like the Prime Minister to go to places in my riding such as Ferryland, Cape Broyle, Petty Harbour, Little Harbour East, Portugal Cove South or St. Shotts and show the fishermen how they received 50 per cent more for their fish last year. I dare him to, Mr. Speaker. I have no doubt they would remind him of the promise in the Throne Speech 18 months ago of catch failure insurance, of his promise in 1968 of a just society and an end to regional disparity. What has happened to that? There is no mention of it in this Throne Speech. I hope it is not so, Mr. Speaker, but the absence of such things as catch failure insurance in the Throne Speech leads me to be suspicious that the fisheries branch in the new department is being downgraded, just as we expressed fears that it would.

Of course, catch failure insurance in itself is not enough. Fishermen in my riding require some form of inexpensive insurance to insure their fishing property and gear against storms and other acts over which they have no control. Not only has this government been reluctant to help fishermen who in a great many cases have been wiped out by losses resulting from storms, and so on; they have even refused to repair and replace, where necessary, public property such as wharves and breakwaters which have been destroyed by storms, despite the fact they are vital to the fishermen. I can think of several communities in my riding—Tors Cove, Kingman's, Calvert, St. Vincent's and St. Mary's, to name just a few—where public works have been allowed to deteriorate to the point at which they have become a public nuisance.

• (1740)

The riding of St. John's West is about evenly divided as between urban and rural areas. Before I move on to discuss some of the difficulties being experienced in the city, allow me to mention a couple of other items. The Department of Regional Economic Expansion has not been as successful as many of us hoped when it was originally conceived. One of the reasons the department has not been beneficial to my riding is the failure of the government to accept primary industries, such as fishing and forestry, for eligibility under development incentives plans.

Another reason DREE programs have not benefited areas like Placentia, Dunville, Jerseyside and Freshwater is that the government is too readily influenced by political considerations. These areas required designation as special areas perhaps as much, if not more, than any others in Canada. They were not designated because certain politicians, including the Minister of Transport (Mr. Jamieson), decided there was more political benefit in designating other areas.

In connection with another topic, Mr. Speaker, we are all very optimistic that in the not too distant future the extensive explorations for oil off our east coast will result in major finds. While we are waiting for this to happen the Department of Manpower should, I think, in co-operation with the province, assess the skills and trades required

and take the manpower pool available in the province into training programs to prepare them. We must ensure that the manpower in the province of Newfoundland gets top priority for the jobs which will be created on these oil drilling projects. Instead of allowing over 18 per cent of the Newfoundland work force to lay idle, would it not be better to train them and provide them with skills for the manpower market which will open up when these oil finds are being worked?

Since some of my colleagues have developed their own theses on the problems of unemployment insurance, I will offer just one thought. It is time the government came clean with regard to the incredible mess that has developed within the UIC offices during the last few months. I challenge the Minister of Manpower and Immigration (Mr. Mackasey) or his parliamentary secretary to go to Southern Harbour, or to Arnold's Cove or to places on the Cape Shore and try to tell the people there this poppycock that only a few benefits were held up because of bureaucratic error. This is obviously not the case. An interdepartmental bulletin signed by the chairman of the Unemployment Insurance Commission has made this quite clear. If I may, I will quote rule No. 5 as dictated by the chairman of the UIC and circulated to all UIC employees. This is a directive issued to employees of the commission by their chairman:

> No one shall declare to claimants and/or their representatives that files have been lost, that documents cannot be traced, that the system is complex, that the computer is at fault, that there has been clerical error, or any other similar excuses, which, no matter how valid they may be, do not in any way help the claimant and perpetuate an atmosphere of doubt in the minds of claimants and employees.

The Prime Minister and some of his ministers have been boasting of the record number of housing starts in 1971. Well, we laud that accomplishment, Mr. Speaker; but let the government not rest on its laurels. There is still a crying need in this country for housing. We are barely scratching the surface. It is about time the government started recognizing the problems of our average and low-income families, those people who have been caught in the economic squeeze. In the city of St. John's a large number of our people are in this category. They are too well off to qualify for direct government assistance, but not sufficiently well off to avail themselves of mortgage financing under the National Housing Act. Many of these people live in houses which could be rehabilitated, with government assistance, thereby ensuring that the character of our downtown area would be preserved, while at the same time providing decent places in which to live and raise families.

More than three years ago the minister then responsible for housing, the hon. member for Trinity (Mr. Hellyer) imposed a freeze on urban renewal, recognizing that the bulldozer approach was not the right one. Since then the downtown cores of our cities have been allowed to continue their downward spiral of rot and decay, until many of them have gone beyond the point of no return.

The time has come for an end to the multiplicity of studies. The time has come to make decisions and take action. I hope this action will reflect the studies and correct previous mistakes. Urban renewal has in too many cases resulted in chaos. The Blackhead Road urban renewal scheme is a very good example of this. Frustration, confusion and chaos were the results of that scheme. Families were uprooted, lives were endangered, the people's rights were ignored by strong-arm bureaucrats who showed little willingness to recognize the human factors involved.

The federal government in co-operation with the other two levels of government, provincial and municipal, should undertake a long-range study of land needs in St. John's and establish a land bank to ensure that an adequate supply of serviced building lots is available to accommodate the natural growth of our city and the future needs of prospective new home builders. Such a land bank would also have the effect of stabilizing land prices, would discourage speculation and resultant exorbitant prices for serviced land.

The Speech from the Throne was not the only forlorn document to come out last week, Mr. Speaker; on the same day Statistics Canada issued the cost of living figures for the major metropolitan areas in Canada. My city, St. John's, had the dubious distinction of having shown the largest increase in the cost of living in January, a hike of just under 1 per cent. That was not simply a monthly fluctuation, as the former Minister of Finance used to say: unfortunately, this has been a trend for consumers in St. John's. The cost of living went up 4.6 per cent in the last 12 months in St. John's.

• (1750)

How do we expect our senior citizens, who in their declining years have to pinch pennies and live on a budget that is barely able to keep body and soul together today, to live with a 4.6 per cent increase in the cost of living on a pension that allows them only a 2 per cent increase to compensate? That is a harsh indictment of a government that almost gloats that it has no compassion.

I spoke earlier of the need for a new deal for Newfoundland in confederation. Nowhere is this more evident than in our dealings with Canadian National Railways. Canadian National pulled its railway passenger service out of the province in 1969 despite the objections of almost all the people of the province. The Canadian transport Commission agreed to allow CNR to abandon the service because it was losing almost $1 million a year.

Yet two weeks ago this same Transport Commission refused to allow Canadian National and Canadian Pacific to abandon their rail passenger service between Montreal and the Maritimes, thus creating a situation where the Canadian taxpayer will be called upon to subsidize it to the tune of $1 million a month. I am not arguing that this decision is a wrong one; as a matter of fact I think it is correct. But every argument that is used to retain rail passenger service in the Maritimes is also valid in Newfoundland.

My time, Mr. Speaker, is almost up, so I say this in conclusion. I make no apology for perhaps being a little too partisan in my address today. There is no member of this House of Commons who wants confederation to succeed more than I, who wants this great nation of ours to prosper and to grow and to provide for its people a standard of living that is unrivalled by any other.

As a Newfoundlander born and bred in the hardship and strife of a country that refused to lay down and die,

even though the logics of economics were against our survival, I stand here representing 80,000 Canadians who still have the same grit, the same determination and the same strong will. We in Newfoundland desire from our very depths to make our full contribution to the development of this great nation. Our province is endowed with boundless resources, not the least of which are our human resources. We have the will, we have the drive. We ask only for your help to help us help ourselves. Wisdom and integrity, understanding and desire on your part can help us erase the hollowness of the Throne Speech's dictate to us as parliamentarians to make this country serene and unspoiled, believing in the dignity of every individual, sharing resources and permitting every Canadian to contribute his skills and talent.

Mr. Gaétan-J. Serré (Nickel Belt): Mr. Speaker, first I should like to join my colleagues in congratulating the mover of the Address in Reply to the Speech from the Throne, the hon. and most able member for Bruce (Mr. Whicher).

[*Translation*]

I should also like to congratulate the hon. member for Trois-Rivières (Mr. Lajoie) who had the signal honour of seconding the motion. Both have acquitted themselves brilliantly of their task and their fellow citizens must certainly be happy to have elected them to this House.

[*English*]

Unlike members of the opposition, I was quite pleased with the contents of the Speech from the Throne. Since I have been in this House I have never heard a favourable comment by the opposition on any Speech from the Throne, or for that matter on any piece of legislation brought forward by the government. Canadians are getting more and more concerned about the negative, cynical and destructive approach being taken by the opposition, especially by the representatives of the NDP who have yet to produce some constructive criticism or alternatives during this Parliament on any of the major issues before us. It seems all they think about is to downgrade and give a completely distorted image of our Prime Minister (Mr. Trudeau), the cabinet and this government.

This type of concerted effort to mislead the Canadian public no longer works in our present society. This is old-time politics. The leaders of the opposition parties have tried unsuccessfully to picture our Prime Minister as a petty tyrant, an arrogant and callous man who tramples on the rights of Parliament, who has no feeling for the unemployed and imprisons his opponents in Quebec. This is not only a serious distortion of the record but also poor politics, because the voters usually favour, rather than fear, a high-handed leader.

Mr. Alexander: Where have you been?

Mr. Serré: I have been here all along, the same as you. And far from concentrating power in his own hands and in those of his so-called supergroup of advisers, he has diffused it so widely that the whole process of decision-making has changed tremendously. Policy decisions filter up through the system of cabinet committees and have to be checked out with the caucus and with the Liberal party. It all takes time, and the Prime Minister is unwilling to hurry business through the process he has established to ensure detailed discussion and co-ordination. In both the Commons and the Senate there are more committees doing more work than ever before, and the government is more willing to accept their advice than were its predecessors. The whole technique of publishing white papers and submitting draft legislation before it becomes government policy invites parliamentary participation in decision-making.

The criticism of the Prime Minister as being coolly aloof from public opinion is equally at odds with the facts. The truth is that through town hall meetings, appearances on radio and T.V., open-line programs and question and answer sessions with students and others, the Prime Minister has more public contact than any previous Prime Minister has had. A good example of this is that he is coming to northern Ontario and my riding this coming Friday.

[*Translation*]

Mr. Speaker, the Speech from the Throne inaugurating this fourth session is well within the framework of this government's efforts to develop and strengthen our country and make it a better place to live in.

Sovereignty and independence, peace and security, social justice, a healthy natural environment, a prosperous economy, those are the objectives to which the government has always given priority.

And these objectives have not remained vain words. The leader of the official opposition (Mr. Stanfield) and the leader of the New Democratic Party (Mr. Lewis) do travel around the country proclaiming everywhere that the government is doing nothing, but they seem to forget three years of concrete achievements.

Mr. Knowles (Winnipeg North Centre): It is six o'clock, Mr. Speaker.

Mr. Speaker: It being six o'clock, I do now leave the chair. The House will resume proceedings at eight p.m.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Serré: Mr. Speaker, when the House recessed at six o'clock I was saying that the Leader of the Official Opposition (Mr. Stanfield) and the leader of the New Democratic Party (Mr. Lewis) travel around the country proclaiming everywhere that the government does nothing. I should like to point out to them that they seem to forget three years of really concrete achievements. For instance, since 1968, the government has taken many steps to protect a healthy environment by way of legislation such as the Arctic Waters Pollution Prevention Act, the Canada Water Act, by the cleaning up of the Great Lakes, the banning of phosphates, the development of six new national parks, the creation of the Department of the Environment, and I could go on enumerating. However, the government is concerned not only with a healthy natural environment, but also with a social environment

to ensure opportunities for all Canadian and discriminate against none. Progress in the direction of social justice has been assured for three years by such legislation as the new Unemployment Insurance Act, tax reform, the Bail Reform Act, increased pensions for veterans, the Opportunities for Youth Program, housing programs geared to low-income families, the Local Initiatives Program, and I could enumerate many more.

And the government has been most lavish with these benefits. Indeed, for the fiscal year 1970-71 alone, the government paid out $557,877,821 under the Family Allowance Plan, $1,627,219,132 under the Old Age Pension Plan, and to these amounts are added contributions to the Guaranteed Income Supplement. The government has contributed $99,039,772 to the Unemployment Insurance Fund. What else can I add to show the government's concern and efficiency in the field of social policy?

With regard to the economy, in the midst of international financial crises, the government keeps struggling toward a prosperous economy and the elimination of regional disparities.

Over 200,000 jobs were created last year. Of course, this is not enough to keep up with the tremendous increase in the labour force, but it does represent an achievement proportionately superior to that of any other country in the western world. In addition, the Department of Regional Economic Expansion and the Ministry of State for Science and Technology were created. The Prince Edward Island development program, the act on farm products marketing agencies, the act on grain, the program to promote small farms, the two-price system for wheat are many achievements to be credited to the record of the present government. And the Speech from the Throne is no exception in the long list of concrete achievements, ingenious programs, which introduced innovations in the strategy aimed at the complex problems of a swiftly changing society.

On reading the Speech from the Throne, one notes that the fight against unemployment is at the very heart of the government's concern, and that it will multiply its efforts with a view to remedying it. A rational policy of national control over foreign investments will also be applied, which policy is really very timely in view of the fact that a large sector of our economy is in the hands of foreign companies and investors who, in applying their expansionist policy, care more about their own interests than the well-being of Canadians.

In my riding alone, Mr. Speaker, the International Nickel Company controls the life of most of my electors. For instance, they can do nothing about the recent layoffs decreed by the company.

I feel that the governments, federal as well as provincial, should exercise greater control over these foreign companies.

• (2010)

During this fourth session we will witness the enforcement of new social measures, such as the promotion of a new program for low-cost housing and the increase in funds for student loans. Criminal code reforms to ensure the protection of private life belong in this context aimed at improving the life of Canadians.

I am particularly thankful for a measure ensuring the extension of CBC services and I take this opportunity to request once again a French television station for Sudbury, a local programming station to meet the needs of French Canadians in this area who represent more than 40 per cent of the total population.

Finally, I welcome the measures recommending the creation of three new national parks north of the 60th parallel and those relating to wildlife and their habitats. They reflect the constant interest of the government in the conservation of a healthy natural environment, in short our country's wealth.

The new Labour Code, Family Income Security legislation, a bill to amend the Farm Credit Act, National Anthem legislation—a listing of all important measures would take too long—but such is the legislative program of a government that is not afraid to be daring and imaginative in coming face to face with the 70's.

Thanks to the representations made by my electors and to my numerous interventions in the House and in committee, this government has lately given greater consideration to my region in the Nickel Belt.

In fact, Mr. Speaker, the Minister of Transport has just given approval to the building of a new airport in Sudbury at a cost of $1.5 million. Our region has been included in the designated area in order to be eligible for grants to secondary industries. The Department of Regional Economic Expansion is striving hard to find some means of ensuring the survival of the industries and factories of our region and many subsidies have already been granted.

Under the Local Initiative program, the Department of Manpower and Immigration has already granted some $200,000 to municipalities and organizations in the Nickel Belt constituency thus creating over 100 jobs during winter.

Under the Opportunities for Youth program, I have already been assured that special attention will be granted to the requests from my area as a result of the decision of the Inco company not to hire some 2,000 students, as previously.

For several months now, the citizens of Northern Ontario have been enjoying better television service following the establishment of a second station in Sudbury.

Several modern post-offices have been constructed in various locations of my constituency.

The services of the various governmental agencies and offices in my area have been greatly improved. I especially refer to a more competent staff hired at the Unemployment Insurance Commission at the Manpower Centre and several other departments.

The Secretary of State (Mr. Pelletier) has given several grants to cultural organizations and I hope that this assistance will be increased to enable the various ethnic groups to flourish even more in their own culture.

I could enumerate a great number of concrete achievements which give clear indication of the increased attention that the federal government has given to my region over these past years, but time is running short.

Thanks to a sound economic policy and a great climate of confidence, my region has had these past years an

unprecedented restart. I am pleased, for instance, to see that several citizens from la belle province, the Maritimes—Newfoundland in particular—and the west have joined us to seek their fortune and are now quite happy there.

The riding of Nickel Belt has progressed at a fantastic rate recently and I am sure that it will continue along that line.

However, we must tackle many problems that we still have to face. I refer more particularly to air and water pollution, the high cost of living, which is higher in my area than in most other parts of the country, to the lack of community and cultural centres, the lack of secondary industries or small manufactures that could hire women and older workers who cannot work in mines.

I refer also to the lack of adequate transportation between the main centres in Northern Ontario. Speaking of transportation, Mr. Speaker, the Trans-Canada Highway, in the Sudbury area, is in a lamentable condition. As traffic increases in the area, the building of a four-lane highway is badly needed on the approaches of the town of Sudbury. When one considers that the contribution of the federal government to the province of Ontario for the construction of the Trans-Canada Highway was $142,029,786 for the past few years, I cannot understand why the government of Ontario could not find the means of improving this highway in my area. I hope that the federal government will exert pressures to that end.

• (2020)

[*English*]

Mr. Speaker, I am really looking forward to a very progressive fourth session of this Parliament and I hope that the opposition parties will change their pessimistic and negative approach and will finally come forward with new, more progressive and constructive criticism so that together we can move forward and build a better Canada for all Canadians.

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, one of the interesting things that has come up recently has been a small package of goodies from Information Canada to the various private radio stations across the country. Information Canada has been requesting private radio stations to accept canned bits of information on how well things are going in Canada. These are 30 or 60 seconds long and private radio stations are asked to promote them in their spare time.

I suppose it is always very good to have these bits of information going around, such as information on how to get unemployment insurance paid in less than 2 months and other such useful information. But a great many of the private radio stations have been rather concerned about these small pieces of information that were being given to them, and they are beginning to wonder whether perhaps pressure is being applied indirectly to them inasmuch as they have to obtain their licence from the federal government. They are worried that if they do not use this useful, canned, non-political information, as it is described, they might have problems with obtaining their licence. This is a concern that worries a number of private stations.

Then, some of the private station's representatives are somewhat concerned that perhaps these canned bits of information on how to get your unemployment insurance in less than two months, or whatever it is, or on how to get your old age pension early, might possibly wander into the realm of propaganda. These are just the thoughts and concerns that arise. Also, private station operators seem to be more and more concerned that the government is placing more and more restrictions on private broadcasters but on the other hand does not seem to give anything back to them.

One of the questions that arises in the minds of many private broadcasters is whether the other branches of the media, such as the press, are having the same opportunity to publish these goodies on how the government is operating, and whether the government is paying the press for publishing these things, because they are certainly not offering the private broadcasters anything: the broadcasters find that the government tells them, "We will not pay you, but you can publish it in your spare time. It increases your Canadian content".

Private radio stations have been having a tough time as it is. A lot of pressure has been put on them by the government restricting what they can and what they cannot do, and now the implication is that they must publish these pieces of information. It is not said that they have to do so, but it is suggested that it might be advisable. It seems to me that if the government wants to try to advertise what it is doing in other branches of the media such as the press, and is paying them a fee for this, certainly the private broadcasters, who have been having a pretty rough time, might at least be offered a nominal payment for publishing the history of all the great things which the government is doing in all the branches of the public service.

Having said that, there is a matter that I would like to deal with for a moment in some depth, that is, the problems of the Unemployment Insurance Commission which have developed into nothing less than a national scandal. The trouble started a couple of years ago when legislation was introduced in the House closing the local offices of the Unemployment Insurance Commission in the smaller and middle-sized industrial cities throughout Ontario and, I presume, elsewhere. A number of members of the House who are still here, myself included—and I can think of the hon. member for Timiskaming (Mr. Peters), the hon. member for Wellington (Mr. Hales) and, as I recall, some government members—objected at the time and said that if the local offices were closed, people could not go in and inquire about their unemployment insurance claims and there would be trouble.

All hon. members who have had some practical experience in this regard were treated with superior and pitying smiles by members of the commission who were sitting in the gallery at the time and the minister did not say anything, as if he did not know anything. Then the trouble started, because when people cannot go to the local offices and inquire about their claims trouble starts. The next thing that happened was the commission got a computer. It is a marvellous thing. It absorbs the information, but when the information does not prove to be accurate because of bad programming or lack of programming, I understand that the computer swallows the information, does not regurgitate it and it is just lost. Someone who ought to know said privately that the commission had

been sold a bad computer which did not really supply the proper information.

This computer was located in, of all places, Belleville, Ontario, which is quite removed from the industrial heart of Canada. I have been trying to find out for some time why Belleville was chosen. Obviously, it was not for political reasons because that area is not represented by a member of the government party. The explanation which I have been able to obtain is that it is the only place where houses were available for the people who run the computer. That is a great business!

Then a new act was brought in last year. It looked pretty good and most of us supported it. The only thing was that before the act was brought into effect it seems that not much thought was given to the regulations or as to how the act would be administered. I could spend the next half hour reciting some of the blunders that have been made in putting the regulations into effect. Just to cite one, people who own a small business such as a furniture store, and who happen to be three brothers or three cousins, have to pay unemployment insurance for themselves. At present this matter is still under review because not much thought had been given to it.

There are many other things that one could mention. There is the matter of shifting from the old act to the new act, and there is the new waiting period. Then there are the tax problems. If you were entitled to unemployment insurance from September or October, 1971, and because of the present delays and incompetence you did not get it until January or February, 1972, you would have to pay income tax on it because, as I understand it, the computer is set up that way. If you receive it in 1972, you pay tax on it even though in the period for which you received it, it was not taxable. Then there is the longer waiting period.

There are many other problems that one could mention. The net result of this monkey business is virtually a national calamity, particularly so far as people who have families, who are unemployed and who have to put the groceries on the table are concerned. That is an expression which we have heard so often from the parliamentary secretary in the last couple of days.

Having been a Member of Parliament for a number of years, nearly 19, I know that we used to have two or three complaints a year concerning unemployment insurance payments. Certainly, in days gone by the act and the administration of the act worked very well; there were no problems. Now, Mr. Speaker, I am receiving between 35 and 40 complaints a day.

• (2030)

An hon. Member: From farmers?

Mr. Nesbitt: For the information of the hon. member who has just spoken, my riding happens to be a heavy industry riding. He should better inform himself on these matters. As I said, I am getting between 35 and 40 complaints per day and have had to employ a special person to help in dealing with these complaints. I am not complaining; I am glad to do this. Perhaps people on the government side of the House are not aware of these things, do not pay attention to what is going on and do not know that that is taking place. I am quite prepared to substantiate anything I have said.

The minister and the parliamentary secretary, during the last few weeks when questioned about this have stood like a pair of ostriches—you can imagine a pair of portly ostriches standing on one leg and sticking their heads in the sand—and said, "Ninety-eight per cent of all claims are paid on time." As I say, when questioned they have gone burbling away about 98 per cent of the claims being paid on time. Of course, the phrase "on time" may mean different things to different people. Anybody in my area who wants to collect unemployment insurance knows that it takes a long time. Even if every detail were put through in the proper way, it takes a minimum of eight weeks before anybody can get a cent.

What the people are supposed to do in the meantime I do not know, but this is happening: you have to rely on welfare, and it is pretty degrading for people to rely on welfare when they have a perfectly good claim. Yet this is the kind of thing that is going on. Meanwhile, the minister and the parliamentary secretary say we have the best Unemployment Insurance Act in the world. It does not work, of course. Nevertheless, they stand there and bury their heads in the sand while the deluge of claims comes up behind them and engulfs them.

I am reminded, when the government tells us how well the Unemployment Insurance Act works, of a famous case in law that all law students and lawyers are familiar with, known as *Grant v. Australian Knitting Mills.* In that case a man had bought a set of underwear which burned the hide off him. It was proved that there were too many sulphites in the underwear. In court, Australian Knitting Mills produced scientist after scientist and engineer after engineer to say how perfect was the process of the company, and proving that this could not have happened. The only trouble was that it did happen. As the judge said, "Gentlemen, you have proved yourself out of court. You have proved that your process was so perfect that it must work. But the fact is it did not work." That is exactly the case with the Unemployment Insurance Act.

The question is, who is at fault? I do not think that matters particularly. The point is that something has gone wrong. The minister has promised that a committee will be appointed to listen to problems and try to find out where the fault lies. Nobody intended to do this, I am sure. Nobody suggests that people maliciously went out of their way to cause trouble by paying claims slowly—of course not. Yet the fact is that this has happened. What we want to see in this House, promptly and immediately, is action to get this mess cleaned up and to get these payments made on time.

Some hon. Members: Hear, hear!

Mr. Nesbitt: Where the mistake may have been made, I do not know. It certainly was not made by the junior members of the Unemployment Insurance Commission. Some of these people are in my area, and they have been working very hard. Some of them work every night and some have become ill and exhausted trying to clean up this mess. They are certainly trying to give the members of this House, regardless of party, a great deal of service and are doing their best.

If you want to allocate blame, it must lie at the higher levels. I am afraid the minister and his staff must accept some responsibility for this because certainly it is not the

junior people who are at fault. It is the senior people in the Unemployment Insurance Commission and those at the ministerial level. As far as I am concerned, they are the ones to blame. We must also blame it on the purchase of this computer as well as some other things. It will be fine if the minister wants to establish a committee; I am all for it. I will not object to sitting on the committee, hearing evidence and trying to find out how this mess developed. I do not suppose there is any simple answer; I suppose there is a multiplicity of reasons. The point is that we want to get payments out on time.

The first thing the government should do is reopen the local unemployment insurance offices which were closed, and I do not mean they should be reopened in the way the parliamentary secretary suggested the other day when he hastened to say, "We have opened a lot of them." In my city they are opening these offices for four or five days a week part-time, for half an hour or two or three hours a day, something like that, and someone is in them listening to complaints. That will not settle the matter and will not do much to improve things. The offices should be reopened.

Another thing the government should consider is shortening the waiting period from two weeks to one week. I do not see how it is possible to shorten the waiting period for payment of claims to anything less than five weeks unless the waiting period is shortened as I suggest. If something cannot be done in this regard, I think the minister—I am sorry to have to say this—should consider looking into the competence of the senior people who are administering this program, because if it cannot be cleaned up in two or three weeks, somebody higher up is to blame. It is the old story; if the ship does not operate too well, the captain or senior officers usually are responsible. And if something cannot be done to get these claims paid to people more quickly, somebody should go: it is as simple as that.

The final matter I want to make observations about is the question of foreign investment in Canada and the utilization of our raw materials. This is probably the number one issue in Canada today. We were all surprised at something the government has not done. The members of my party and the members of the NDP have been very curious as to why the government's policy with respect to foreign investment in Canada has not been announced. We were told that we would hear about this when Parliament reassembled. Today the Prime Minister (Mr. Trudeau) tells us that he does not know when he is going to tell us about this. Presumably it will be after the next election, whenever that is.

There are many viewpoints on the matter of foreign investment. Some people are for it and some are agin it, and all for different reasons. Opinions may be influenced by geography. The people in Ontario, and in Toronto particularly, where a great deal of capital is available, are opposed to foreign investment. The other parts of the country, western Canada, Quebec and the Maritimes, take a different view because capital is not so readily available there. As some people pointed out in western Canada recently, "We would just as soon get our capital from the United States or West Germany as be slaves of Toronto." Of course, we see that viewpoint expressed here. I do not necessarily agree with it; I am merely expressing views that one hears.

[Mr. Nesbitt.]

You get different views expressed on foreign investment by people of different ages and various occupations. You get young students who are very chauvinistic and enthusiastic about the question of foreign investment, and sometimes for the wrong reasons. Then you get certain groups in Toronto, and wealthy people like Walter Gordon and others who are not much concerned about capital and they take a different view. Of course, there are some very good reasons why we should worry about heavy foreign investment in our country. There are long-term balance of payment problems and questions of economic policies involving an owner country like the United States which has a DISC program that may close our factories in Canada and export unemployment from that country to ours.

Questions involving foreign investment are serious matters. Unfortunately, you do not always hear them aired. However, the principal problem which seems to be facing Canada at present is that of the degree of control that is to be exercised over foreign companies in Canada. It is not ownership alone, Mr. Speaker, that worries us. I have a friend from Poland who owns real estate in Warsaw. He might as well own it on the planet Mars for all the good it does him. The important thing is the question of control. That is the area in which there is much disagreement in this country, even among friends, even among members of the same political party. They disagree about the degree of control that should be exercised by the federal government or by provincial governments, because this question of foreign investment is a joint matter.

• (2040)

I suppose there are as many opinions on the matter as there are persons who look into it. I think it is sufficient to say most Canadians agree that greater Canadian ownership in our corporations and companies is advisable for many reasons. I do not think there is any argument about that.

What has the present government done to help in this regard? Almost nothing. At the present time, under the new Income Tax Act it is better for a Canadian to invest in Canadian bonds or senior securities, non-equity securities or United States equity securities rather than in Canadian equity securities. This is a fine situation! I wish to quote the following passage from a memorandum given to me by a number of people who are pretty familiar with investments and investment matters:

Should funds be invested in senior securities or foreign equities, an additional one-sixth will have to be paid in income tax but, with the much higher return available on senior securities—

Those are bonds, of course.

—and, if capital gains are being sought and, with the greater expectation of profit in American stocks, there is little incentive . . . to concentrate on Canadian equities.

If we are going to try to get Canadians to invest more in our stocks and securities and give greater ownership to Canadians, we need to do something better than actively discouraging Canadians from investing in our own country. What the government should do is fairly simple: it should make proper tax adjustments to encourage Canadian ownership in Canadian equity stocks. It could lower the capital gains tax for those who invest in Canadian equity securities if held for a period of three years or

longer. This is one more problem for the Department of Finance, the inhabitants of which department are thoroughly imbued with the philosophy of tax neutrality and a number of other dinosaur philosophies inherited from the 1930s, and the Keynesian and London schools of economics. It is time there was a little fresh thought in that department. If we are to get Canadian ownership of Canadian industries and companies, there has to be some encouragement. There certainly cannot be the discouragement as there is now because of our present tax policies.

Another great concern at the moment is the outright, wholesale selling of our raw materials to be processed in the United States, West Germany, Japan and other countries. This problem has arisen time and again in Canadian history. It arose after World War II in Ontario when our pulp and paper was being processed in the United States and being sold back to us. The thing that elected a Conservative government at that time under Hon. George Drew was his policy of assisting companies in Ontario to process pulp and paper in Canada so that we would not need to have it processed elsewhere and sold back to us. In my view, the government should immediately assess what raw materials can be economically processed in Canada at this time. It should determine whether they can be semi-processed or completely processed, with the finished product being competitive in foreign and home markets.

Appropriate tax incentives must be provided to get these new industries under way and provide working capital. The Industrial Development Bank has been a mess as far as helping people in Canada is concerned. The Industrial Development Bank should provide adequate working capital. Perhaps the government might go so far as guaranteeing loans to commercial banks to provide working capital for these new industries. These things are essential.

We must take immediate steps to have our raw materials processed in Canada. I am not advocating that we process products that are not economically feasible. We must look into this question. Something must be done to process raw materials which can be processed economically and be able to compete in world markets, rather than have them processed in some other country and sold back to us. That is the first point. In order to encourage investment in Canadian industries and businesses, the government should provide some kind of tax incentive and tax concession in this regard. I merely suggest that one of the ways this can be done is by a reduction of the capital gains tax if the money is invested in Canadian industries for a period of more than three years.

These are positive suggestions. I think most people in Canada are sick to death of hearing the carping of members of political parties without hearing any suggestions. These things can be done. They are feasible. I hope the Minister of Finance (Mr. Turner) or his assistants will have an opportunity to examine these suggestions and do something about them.

Some hon. Members: Hear, hear!

Mr. Doug Rowland (Selkirk): Mr. Speaker, I want to devote the time available to me this evening to the discussion of the phenomenon of western alienation. Over the past two or three years western alienation has become a favourite topic of eastern newspaper columnists. It has been credited with being one of the major factors in the outcome of by-elections for this House held in the west of Canada in which opposition members have been returned. There have been manifestations of western discontent in this House during the course of the consideration of legislation relating to agriculture especially. However, the phenomenon as such has not received any great attention from the House, a fact which does little to diminish feelings of alienation in the west, and I think the time is long past when some such attempt should be made.

I hope that hon. members from other parts of the country will not think of me as being parochial because I intend to dwell on this subject. I consider the phenomenon of western alienation to be of sufficient magnitude to have the potential of profoundly affecting the course of this nation and, therefore, to be fully deserving of the close attention of each and every member of this House, no matter what his point of origin. At this point I should interject that, while my remarks are focused generally on the three prairie provinces, I make no claim to their being a homogeneous western region. If anything, with the development of more mature and diversified economies it is more difficult to decide where the west now commences and where it ends. Some of my remarks, for example, may well apply to British Columbia or other provinces.

I embark upon this project with some trepidation because while in some areas, such as tariff policies, transportation policies and agricultural policies, westerners have succeeded in defining in a reasonably clear and concise manner their aims and objectives, in many other areas westerners' searches for solutions to their problems are characterized by uncertainty and ambivalence. Indeed, in many ways the major unifying factor in the statements of the many westerners who have attempted to define the reason for western alienation is the sense of frustration and anger at what is perceived to be lack of concern and understanding for the west and its problems by central Canada.

In some respects westerners find themselves in a position similar to that occupied by Quebeckers in the first two or three years of the sixties. May I say here that I use this analogy deliberately and that I will be drawing further parallels to the Quebec situation as I progress. I say "similar to the position of Quebeckers in the sixties" because western society has undergone an immense change just as Quebeckers did in the sixties. We may have been slower in coming to the realization that that change had taken place, but it is a change of similar magnitude.

• (2050)

While old problems affecting tariffs and transportation and agriculture remain, there is a new west, an industrial west, and westerners are still in the process of adapting themselves to the changes inherent in industrialization and are still seeking to define the new relationship with the rest of the country that these changes necessitate. Thus, I suspect that westerners for the next year or so will find themselves in the same exasperating and frustrating position as that in which Quebeckers found themselves in the early sixties when everyone was asking, "What does Quebec want?" Undoubtedly, many confused easterners are now asking themselves, "What does the west want?" It is only a question of time before that cry, sometimes

peevish, sometimes a product of genuine concern, will be heard in public.

We can expect increasing amounts of the energy of western Canadians to be devoted to the task of answering that question for themselves and for the rest of the country in terms of public policy and in terms of constitutional arrangements over the next several months. It is my concern, as a Canadian and as a westerner, to attempt to ensure that this process takes place within the context of attempting to strengthen this nation rather than attempting to tear it apart.

I want to remind the House that the same process in Quebec began within the context of attempting to rebuild our nation on firmer foundations and eventually, in part, but obviously not entirely, because of the insensitivity on the part of successive governments in Ottawa, a major portion of that effort became channelled off into the attempt to destroy confederation rather than rebuild it.

I begin my analysis by attempting to define the political reality in Canada for the west. The rhetoric has always been that the west is an equal partner in confederation. It now appears to westerners that this statement has little foundation in fact.

A year after Manitoba had been dubbed the first daughter of confederation it had become apparent that she was only to be an ignored stepchild. Similarly, when the Northwest Territories were dragged into confederation and later divided into provinces, their duties, rights and responsibilities were dictated to them by the imperial power of Canada, represented by eastern politicians. Western Canada took no part in the negotiations leading to its assimilation into confederation. Western Canada was developed to provide markets for eastern industrialists who were being shut out of world markets by Britain's decrease in imperial preferences and by the United States' unwillingness to maintain low tariff areas. From its birth, western Canada has been forced to accept a second-class colonial status within a political system which was never designed to give real regional security or effective power to areas of lower population.

There are 45 prairie Members of Parliament, compared with 88 Ontario members and 74 Quebec members. It is this lack of political clout in Ottawa and a total lack of understanding or even of attention on the part of the federal government which has led to present western alienation. The west has reached a stage both economically and culturally at which it can now devote itself to matters other than simple survival. It can no longer accept an inferior colonial status, particularly one which is camouflaged by the rhetoric of equality. Having seen through the rhetoric, the west is demanding to be partners on an equal footing.

Western discontent is not a new phenomenon. Many of the demands being expressed today bear a close resemblance to those expressed over half a century ago: lowering of tariffs, establishment of an equitable freight rate policy, the development of a national agricultural policy, and so on. The list of problems has simply become longer: oil, the cost-price squeeze, the need to share equally in the industrialization of the nation, bilingualism, rural depopulation, vertical integration.

[Mr. Rowland.]

Until recently the frustration which resulted from the failure of successive Liberal and Conservative governments to deal adequately with the problems of the west was channelled into various new western political parties and movements whose aims were to find a political voice for the west within Canadian confederation. But for several years now, western discontent has taken a new tack and has begun to adopt, if not the aims then at least some of the slogans and terminology of the separatist movement in Quebec. There is an increasing tendency for many westerners to view Ottawa as an enemy, as an alien force, rather than as their government. Increasing numbers of western Canadians would prefer going it alone to continuing a subservient or backwoods type of "cousin Clem" relationship with the rest of Canada.

The west has always provided fertile ground for new political concepts. Interestingly enough, in the past the political movements which have resulted from western ferment have placed great emphasis upon the role of the federal government. The west was the home of the Progressives, the United Farmers of Alberta, the CCF and Social Credit. Today, new movements attempting to provide solutions to the problems of the west, and existing institutions examining the same set of problems, are becoming more inward looking and are becoming characterized by regional particularism.

It would be edifying for members of this House to look at the expressed objectives of such organizations as the new west task force, the western parliament advocates, the western Canada movement, the Dominion of Canada party, the Mid-Can Businessmen's Association, and at the strongly worded motions by the Saskatchewan Wheat Pool, the Alberta Federation of Agriculture and the Western Union of Municipalities, to study the feasibility of secession.

Perhaps I can best illustrate the current temper of the west by giving a personal example. A few years ago, like, I suspect, most westerners, I considered myself to be a Canadian first and a westerner second. I happened to live in Winnipeg or Regina but I could just as easily have lived in Halifax or Toronto. More recently, however, to my great regret I find myself increasingly forced into a position of considering myself to be a westerner first and a Canadian second. Certainly, all members of this House will be able to see the dangers to the continued unity of this country inherent in such changes of attitude.

Let me make it very clear that I reject the concept of separatism, whether for the west or for any other region of Canada. To me, continued western Canadian participation in Canadian federalism is unquestionable. Certainly, separation or even political union of the west within confederation would not lead to the elimination of the frustrations westerners are experiencing in the present political system. It is crucial, both from the point of view of the well-being of westerners and from the point of view of the welfare of the country as a whole, that we do not allow westerners' frustration to allow them to become trapped into the attempt to find a nationalist or regionalist solution to their problems. My stand in this regard is firm, but this does not mean that in the next months and years the nationalist option will not be closely examined by westerners unless very rapidly there is evidence forthcoming from Ottawa of a genuine change of heart and attitude.

Why does this discontent exist? When this country was developing, the tariff policy, the national policy, decreed: We must protect our new industrial heartland and make it grow. To the west, the Maritimes and the north was given the task of agricultural and mineral and resource development. Maybe that made sense 100 or even 70 years ago. However, for too long now the sacrifices of the people beyond the major centres of central Canada have been disproportionate. The national policy of 100 years ago is out of date. Yet tariff policies, transportation policies and agricultural policies, or the lack of them, remain basically the same.

To those of us from the Prairies and, I suspect, equally to those from the Maritimes, the continuation of these policies appears as an outdated attempt to preserve special advantage, an attempt to hinder the development of the areas which need it most. All too often when there is a major economic adjustment it seems to benefit those parts of the country which already enjoy abundant growth, and injure the parts where significant growth is still to come.

The western farmer is confused, frustrated, and angry. Until recently the federal government was telling him to grow all the wheat he could, promising a high price for it. Then he was told to turn his wheat land into summer fallow. On paper, his farm equipment may be worth up to $100,000 or more, but he is forced to barter, borrow or bootleg grain for lack of ready cash. This frustration and anger is not limited to wheat producers. Our dairy farmers, too, are paying the price of an unfair quota system which militates against the western Canadian dairy industry.

Moreover, the western consumer pays higher prices for many manufactured goods than does his eastern counterpart, and higher prices than his American counterpart below the border. He looks at the auto trade pact, for instance, and wonders why no new plants came to western Canada, why new car prices were not reduced for the western car buyer, why no new jobs sprang up in the west as this rationalization of our auto markets and factories took place. He becomes even more aggrieved when he notes that just south of the border there was such an improvement in Minneapolis, that new plants were built in St. Louis and Kansas City to assemble Canadian-made auto units, and that new plants were also built in central Canada.

• (2100)

The small western Canadian businessman finds it virtually impossible to raise capital through private or public sources to expand his businesses and industries when at the same time well established eastern corporations and multinational corporations wishing to locate in the west and central Canada have little or no difficulty in obtaining the requisite amount of capital. The westerner becomes frustrated at the sure knowledge that despite his efforts there is going to be no change in the current situation where 19 out of 20 major Canadian corporations locate their head offices along the Montreal-Toronto axis in the golden horseshoe of eastern Canada.

Western Canadians are most anxious to maintain the standard of services available to their people at a level comparable to that attained in the rich province of Ontario, but once again there is frustration because the ability of the west to finance socially required government services is severely curtailed by its narrow tax base.

When, for example, we raise our personal income tax by one percentage point in Manitoba, this produces about $1.89 per person. In Ontario, the same income tax rise would produce $3.14. When we Manitobans raise our corporation tax one point, it produces $1.82 per capita; the same tax increase would produce $3.40 in Ontario. We have to almost double our tax increases to obtain the same per capita revenues that are achieved in Ontario with half the increase. Equalization grants compensate to some extent, but they have the inherent disadvantage of being based upon fiscal capacity rather than fiscal need. To oversimplify, equalization formulas are based upon equalizing the amount of revenue per capita raised rather than upon equalizing the kind of services provided.

Thus, the western Canadian farmer, small businessman and factory worker see taxes go higher to pay the costs of services which need new economic growth to support them, and this new economic growth is not there. Western Canadians see their children move out to the new industry which is growing up in Central Canada right beside the old industry that was there before, and towns and villages become ghost towns.

The westerner sees the lack of a national transportation policy, combined with the existing highly discriminatory freight rates, preventing western goods from competing in eastern markets. He sees the tariff system which shelters eastern manufacturers while forcing western Canada's wheat, forest products, potash, nickel, oil and gas, to be sold at competitive prices in a world market. And he sees the blatant discrimination inherent in the prevention of western oil and gas from being distributed east of the Ontario-Quebec border because of a commitment to purchase these products from American-dominated Venezuelan wells.

Would 1 cent per gallon more be too high a price to pay for the development of a valuable Canadian industry? If westerners are forced into paying higher prices for goods manufactured in the east, and effectively prevented from buying similar goods across the border by protective tariffs, surely the east can reciprocate in some form such as aiding the development of western economic potential by paying a bit more for their fuel.

I could go on indefinitely outlining areas where the federal government has mismanaged, less from incompetence than from a simple lack of interest, the western region. I have not yet mentioned the cost-price squeeze for westerners created by the anti-inflationary controls imposed by the federal government to cool the economy in the prosperous, free-spending parts of Canada. I have not spoken of the problems of rural depopulation and resettlement resulting from the encouragement of agribusiness by governments insensitive to the different cultural and social values of the west.

Even in the field of entertainment the western Canadian is confronted with evidence of an insensitive eastern Canadian attitude. The CBC, our public network, supposedly dedicated to the fostering of national unity, has so concentrated its production facilities in the east that west-

ern Canadian entertainers must leave their homes to earn a living.

Each of these specific western complaints would be serious enough taken by itself. Each would, and does, cry out for action. But, taken together, the grievances which I have cited and the numerous others to which I have not made reference are in danger of turning into a mighty avalanche of discontent sweeping aside logic and reason in a tide of frustration and anger.

Western alienation is a fact. Western regional particularism is becoming one because the federal government, this government no less than its predecessors, have created no over-all plan for development for this nation, no national plan which would allow for natural and gradual reform rather than crisis management, long-range planning rather than patchwork policies. This government has not attempted to define the goals for Canadian society. This government and its predecessors have followed a policy of reacting rather than acting, of allowing the pot to simmer and boil until it overflows, at which point they have attempted to clamp on a jury-rigged lid. Instead of progressing in a well directed fashion down a well defined path, our governments have staggered erratically from near disaster to near disaster, patching here, repairing there, narrowly avoiding calamity.

In short, we have had, as I have said, government by crisis management, and in a crisis management situation it is the squeaky wheel that gets the grease. In a crisis management situation, policy decisions are ultimately a product of counting noses in the House of Commons rather than a product of a rational decision based upon the good of the nation as a whole. This means 88 votes for Ontario, 74 for Quebec and only 45 votes for the Prairies. Even if British Columbia's votes are included in the latter count, the west is in a minority position and subject to control by central Canada.

It is for this reason that westerners are not participating in the direction of Canadian events even to the extent that would normally be dictated by their economic and social importance to the nation. It is for this reason that successive federal governments have shown themselves to be unsympathetic to, and generally ignorant of, western needs and aspirations. It is for this reason that policies of successive federal governments have demonstrated a total lack of understanding of the social and cultural idiosyncracies of the west where a strong social conservatism is coupled with increasing economic and political radicalism.

I have attempted to define the problem. What are the solutions? I deeply regret, although I am not at all sure that the House does, that time does not permit me to go into an examination of the solutions in the same detail as I have examined the problems. Let me just touch on some of the approaches which might be taken very briefly.

Some of the problems could be met through a new flexibility in constitutional arrangements which would permit each region of the country, not only the west, to establish a relationship with the federal government which accurately reflected the needs of the region and which was not based upon the puerile assumption adopted by the present government that all provinces and regions in this country are the same, that what is good for one must be good for the others. In some cases this would mean centralization of powers, in others decentralization of powers, but in every case a constitutional arrangement tailored to fit the needs of the region instead of attempting to find some sort of non-existent over-all average.

Some of the problems can be met by an administrative arrangement; for example, the establishment of taxation arrangements designed to limit competition among provinces in key economic areas; the establishment of corporate income tax rates, a competition which only the strongest provinces can win. Administrative arrangements could also provide for the decentralization of government departments and agencies so as to give the west and the Maritimes a proportionate share of the benefits derived from governmental institutions.

Some of the answers to the problems I have mentioned can be found in government policy; for example, the creation of a national transportation policy worthy of the name, one that would have the effect of making transportation costs a neutral factor in finding the optimum location of an industry. This would mean that transportation costs would not dictate that an industry necessarily be located in an area of concentrated population.

• (2110)

Some of the answers must come from westerners themselves. Since we lack political clout in Ottawa, we must come here, as provinces and Members of Parliament, better informed and prepared than our counterparts from the rest of the country. That means a great deal more attention to that kind of preparation for federal-provincial conferences on the part of provincial governments in the west than has been the case heretofore. Some of our problems are outside the realm of government and require action on the part of westerners. For example, western agricultural organizations must get together and form a common front. They can no longer afford the luxury of internal squabbles.

In the final analysis, the only real solution to the problems of the west which have given rise to its current sense of frustration and alienation is the establishment of a national government with the commitment and the courage to govern in the interest of the nation as a whole, even if that national interest makes it take stands on behalf of minorities in terms of electoral strength at the expense of majorities in terms of electoral strength. We need a government with the courage to say to the golden horseshoe region of Central Canada; "Re-examine your goals. It is obvious that further unrestricted growth in your area, in terms of population or industrial capacity for the production of wealth, is against your interest and the interest of the nation. Not only is unrestricted growth in your area defiling your environment and making it more difficult to live with decent standards, but it is contributing to disunity in this country and to the continuation of unacceptable levels of regional economic disparity."

This country can no longer afford the kind of government which the Liberal government has given us for the last four years—government by crisis management. Government without planning, government without goals always results in a policy of "Them what has gits" and of setting one region against another, one province against another and neighbour against neighbour. It is no acci-

dent that perhaps the period of greatest harmony and greatest advance in this country was the period immediately following World War II when Canadians knew who they were and what they wanted, went after it and got it. We may today question the wisdom of the aims of that period, but the fact remains that they were aims and they were achieved.

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I welcome the opportunity to participate in this debate. I would first like to congratulate the mover and the seconder of the Address in Reply to the Speech from the Throne. I found the hon. member for Bruce (Mr. Whicher) most entertaining, especially when he described the beauties of his riding. However, the same cannot be said for the latter part of his speech. If he loses his seat in the next election, I believe he would be well advised to look for a spot on Rowan and Martin's "Laugh-in." The hon. member for Trois-Rivières (Mr. Lajoie) who seconded the motion is to be congratulated for the sincerity with which he put forth his views on Canada.

Mr. Speaker, we have heard two speeches in rapid succession, one closing the third session and one opening the fourth session of the twenty-eighth Parliament. When reading these speeches I could not help but be reminded of a Billy Sunday revival hour which opened with a hymn entitled "How Great Thou Art" and closed with the hymn entitled "Count Your Blessings". These speeches are obviously the work of a smug, self-satisfied government that is out of touch with the needs and desires of the people whom it is elected to serve, a government which keeps saying over and over, like the former world heavyweight champion, Mohammed Ali, "I am the greatest".

Some hon. Members: Hear, hear!

Mr. Crouse: That is not a view that is shared by many Canadians who view with concern the policies of this government. It is all very well to promise in the Throne Speech, and I use these words from the speech—

—the fundamental reform of protective measures which commenced last year with the new Unemployment Insurance Act will continue—

I ask you, Sir, what about the thousands of unemployed who are now entitled to benefits and who have been denied those benefits by the bungling of this government? During the recent parliamentary recess all of us had an opportunity to meet with our constituents. I found that the people I represent are in agreement with the concept that financial aid should be provided to those who are unable to find work. Moreover, they were also in agreement that benefits paid should be enough to live on. However, they were not in agreement with the philosophy that benefits should be so high that it makes it more attractive to be unemployed than to work.

In their view, and it is a view that I share, the bills for all those unemployed must be paid by all working Canadians. Why, they ask, is there no longer any incentive for people to work? What happened to the old-fashioned philosophy that you work for what you get? This country was not developed to its present state without initiative, and its further growth will be slowed down in an atmosphere where initiative is stifled by the "happy hand-out" philosophy of this administration.

A working man not only earns money, he also retains his self-respect. There is a dignity in working, a dignity in a job which cannot be secured by any other means. Any man worth his salt must feel that he is making a contribution, a contribution to himself, to his family, to his home and to his country, by being gainfully employed. Under this government, too many Canadians are being robbed of this basic right, too many Canadians are walking the streets. That is why they are saying, individually and collectively, and certainly in my riding, in three words their solution to the problem: the three words are, "Trudeau must go".

Some hon. Members: Hear, hear!

Mr. Crouse: They have an addendum to that and they say, "Surely there must be a better way to run this country". With that I agree. Our farmers, our fishermen, our businessmen large and small are calling out today for leadership, leadership at the federal level. They are asking for the right to participate in the development of this country, a right which has obviously been denied them by the socialistic policies of the present government. Our young people come to me and say, "Surely we have a right to be more than viewers on the scene. Surely we have a right to be doers on the scene." I say that is what must be done if we are to get this country back on the rails and go forward and progress in unity together.

Some hon. Members: Hear, hear!

Mr. Crouse: At page 6, the Speech from the Throne states that a continuation and strengthening of government-industry relations is necessary in order that increasing demands for resources are met. That statement prompts the question: Who caused the deterioration between government and industry? Why has this government lost the confidence of Canadian businessmen? Why do Canadian businessmen no longer trust the Prime Minister (Mr. Trudeau)? Why do they no longer trust his cabinet?

The answers to those questions are many and varied, but in my opinion the incomprehensible new tax reform legislation has gone a long way toward widening the chasm of frustration, discontent, unrest and uncertainty which exists today between the business community and the government. As long as this situation exists we will have unemployment running at the 7 per cent level or greater in Canada. As long as we operate under the capitalistic system—and there are many who question how long that will be—it is our business community and not the government which will provide the greatest employment opportunities for Canadians.

Our present high unemployment rate is causing unrest and distress across this nation. However, regionally depressed areas such as Atlantic Canada must still bear the greatest share of the burden. Last month the Atlantic provinces unemployment rate, seasonally adjusted—here I am quoting government figures—rose to 10.5 per cent from 9.7 per cent the previous month. This is just not good enough. These figures give a clear indication of the ineffectiveness of the Trudeau government's policies to end regional disparities.

• (2120)

Is it any wonder businessmen in Atlantic Canada have called into question the federal government's stated dedication to the long-term development of the Atlantic economy on a planned and orderly basis? Is it any wonder we look with suspicion at the Department of Regional Economic Expansion and the minister who runs this department, since DREE is obviously nothing more than a well financed give-away program to be extended or retracted according to the economic and political exigencies of this minister?

The sad truth is that the Minister of Regional Economic Expansion (Mr. Marchand) has refused to subscribe to any specific long-term goals and targets for the Atlantic region. The minister was asked only last month by the chairman of the Atlantic Development Council if he would focus his department's policies on a long-range plan to reduce the unemployment rate in Atlantic Canada to 4 or 4.5 per cent by 1980. If he would not do this, he was asked to have his 140 or more planning department experts prepare statistics and arguments showing why such a goal was unattainable.

What was the minister's response? I regret he is unable to be present tonight, because I do not like to refer to him and his department in his absence, but such are the difficulties of being a Member of Parliament. He said the government could not commit itself to targets unless it was certain that both the international and national economies would operate at optimum levels during the next ten years. Obviously, the department of Regional Economic Expansion does not know where it is going or what it wants to do beyond the next election. This raises a number of serious questions. Has the minister seriously examined the Atlantic Development Council's goals and, if so, has he determined that they cannot be met? If this is true, does it follow that no significant improvement in the economy of the Atlantic region is to be expected?

Are we destined to forever suffer an unemployment rate of 10 per cent or more in Atlantic Canada, since Ottawa with all its bureaucrats is incapable of predicting with any accuracy the trend of our national and international economy over a ten-year period? Or does it simply mean that the Trudeau administration, in light of recent political events, has shrugged its shoulders about forming Atlantic provinces' regional goals and could not care less about formulating national goals?

Normally, we in Atlantic Canada would be inclined to applaud the proposed increase in DREE's budget to $500 million in 1972-73 compared with estimates of $450 million this year, but in view of the department's aimlessness, its lack of goals, targets and direction the question may well be asked whether further DREE spending is not just hastening the day of national disenchantment over the entire federal regional development effort. A ten-year goal of reducing Atlantic regional unemployment to 4.5 per cent should not be considered unattainable or utopian. In fact, the Economic Council of Canada, in its 1959 sixth annual review, said that its target of a 3 per cent unemployment rate nationally was still valid as a goal for the mid-1970s. Obviously, when writing this report the Economic Council had not taken into consideration the numbing effects of this administration's socialistic policies upon the Canadian business community.

In my opinion, the federal government should commit itself to strengthening the Canadian economy over a reasonable and specified time period so that unemployment could be reduced to 4 or 4.5 per cent of the labour force. However, to do this the government must first put its own house in order. It must practice economies in its operation. It must realize that every dollar spent in the public sector must first be taken away from the private or producing sector of our economy. I say this because the 4 to 4.5 per cent unemployment rate is not an acceptable long-term figure. We must strive to do better than that. But the most annoying, most frustrating and galling fact of all is that the Minister of Regional Economic Expansion and the Trudeau government have refused to accept a long-term goal of 4.5 per cent unemployed as a possibility for Atlantic Canada.

I warn the cabinet and the Prime Minister that we in Atlantic Canada will be judging this government in the months ahead, not by its promises but by its performances in the past four years. Our present unemployment rate is a sad and tragic commentary on the inadequacy of the government's policies. To us in Atlantic Canada it seems strange that this government can plan a $30 million redevelopment across the Ottawa river by removing the E. B. Eddy plant over the next ten years, but cannot initiate a ten-year plan for the reduction of unemployment in Atlantic Canada. By their actions he shall know them, and we know now where their priorities lie.

The Speech from the Throne states that Canada's primary food producers, our farmers and our fishermen, form one of the traditional and still basic strenghts of our economy and that measures will be taken to improve prices to our fishermen and our farmers. In view of the economic plight of our primary producers, I sincerely hope the words in the Throne Speech are not an idle promise. Our farmers, for example, in Atlantic Canada are faced with increased costs for feed, seed, labour, machinery, gas, oil, fertilizer and insecticide while the prices they receive for some of their products are as low or lower than they were five years ago.

Then on February 14, 1972, for the ninth time in 24 months our farmers, our fishermen and our businessmen in the Maritimes faced another rise in freight rates. Because of these adverse freight rates our producers, especially our agricultural producers, are losing markets, even in our own province of Nova Scotia. I say this because volume, containerization and streamlining of shipping procedures have made it cheaper to ship goods from 1,000 miles away compared to 100 miles if the volume is small. For example, producers in Nova Scotia have learned that agricultural products can now be shipped from Ontario to London, England, at a lower cost than they could be shipped from points in Nova Scotia under the new, combined rail-ocean container service.

The entire inland freight shipment is absorbed by the consortium, a rail-ocean container partnership, while the Nova Scotian shipper has to pay the same ocean rate as the combined rate and in addition must pay to get his shipment to Halifax. Obviously, we must resign ourselves to the fact that our maritime situation of being beside the ocean no longer assures us of any advantage in transpor-

tation costs, either in exporting or importing goods by water. These facts are not helpful, especially to our farmers, and more must be done to aid them in their fight for survival.

Earlier this month the Prime Minister, speaking in Montreal, announced feed grains subsidies for eastern Canadian livestock farmers as well as payments for hog producers across the country. At that time he acknowledged that eastern livestock and poultry producers have had to pay more for the same Canadian Wheat Board grains than their western counterparts. Generally speaking, the assistance for our hog producers has been well received even though it lasts only for a short period. However, there is a segment of our agricultural economy, especially in Nova Scotia, which requires special consideration at the present time. Here I refer to our poultry farmers who are presently producing eggs at below cost.

This question was aired when the National Farmers Association held their meetings early in February in western Canada. There are obviously too many fowls in production, and if egg prices are to be brought in line with costs a subsidized fowl slaughter program will have to be initiated. The farmers in my constituency who have suggested this measure have indicated that almost every egg producer in Nova Scotia has suffered a loss of approximately $1 per bird per year for the last two years. They have therefore suggested that the fowl slaughter program should be subsidized to the amount of $1 per bird, which is in effect much less than the difference consumers should have been paying for eggs, in view of present day costs. The present situation is critical and unless action is taken to help our poultry producers, many of them who have borrowed money from the Farm Credit Corporation will be unable to meet their interest payments and nothing will be paid on the principal.

• (2130)

To face bankruptcy and the loss of your farm after working long hours for many years is not a welcome thought, yet this is the spectre that is facing the Nova Scotia poultry producers. Since the Throne Speech states that the cost of any program in aid of our primary food producers will be borne by the treasury rather than the consumer, I hope that immediate action will be taken to assist our poultry farmers.

I spoke a moment ago about freight rates in the Maritimes. These constant freight rate increases are literally a threat to our entire economy. Our fledgling manufacturing industry is being severely crippled in its efforts to remain competitive and the cost of bringing in much needed goods from other parts of Canada is constantly rising. In my opinion, the whole national transportation policy of 1967, which was supposed to put the railroads on a sound economic footing and improve the transportation industry for all Canadians, needs to be re-examined.

The railways, which are now free of the responsibility of securing approval from the regulatory board before imposing rate increases, have not become more efficient in handling either freight or passengers. Obviously, this situation cannot be permitted to continue, for transportation costs represent the key factor which spells out the success or failure of our Maritime industries. For example, each time a wage or salary increase is granted, our freight rates are advanced on a percentage basis. The fact that this is killing the goose that has been laying the golden egg is ignored. But each time industry closes its door due to increased costs which it cannot absorb, there is less freight for our railroads and more men go on the unemployment rolls.

Obviously, our present national transportation policy is not working to the advantage of maritime industry for it fails to take into consideration our limited manufacturing base, our lower than average income levels and the great distances which separate us from the central and far western markets in Canada and from those markets which we should enjoy in Canada. The aims of 1967 have not been realized and this is a problem that requires immediate consideration by the government since it affects every man, woman and child who resides in Atlantic Canada.

The Throne Speech speaks of our fishermen and states that their continued productivity and livelihood is of immense importance to the government and to the country. This is certainly true in Atlantic Canada where there is an ever increasing concern over the declining stocks of groundfish in the area under the control of the International Commission for the North Atlantic Fisheries which extends from west Greenland to the coast of Rhode Island. In 1969, of the 3.5 million metric tons of fish taken in the ICNAF areas, 2.4 million tons were taken from waters bordering on the Atlantic provinces.

Canadian fishermen caught 1.2 million metric tons or 34 per cent of the total, while European fishermen caught 2 million metric tons or 57 per cent of the total. The U.S.A. and non-member nations of ICNAF caught the balance. Although Canadian fishermen harvested 34 per cent of the total catch, they caught only 20 per cent of the total amount of codfish taken in the ICNAF areas. This is very significant when we consider that codfish is the species taken in greatest quantity by European fishermen; and of the 20 per cent taken by Canadians, about half is taken by inshore fishermen chiefly from the province of Newfoundland. It therefore follows that Canadian offshore fishermen are not catching more than 10 per cent of the codfish.

With this fact before us it is quite apparent that overfishing of cod in eastern waters is due entirely to foreign efforts. In 1969, in the ICNAF convention areas a reported 1,428 metric tons of codfish were caught of which 1,188 metric tons were taken by European countries. I mention these figures to show the extent and magnitude of the problem we are facing, and the extent of our conservation problems. Two of the most prolific areas for codfishing are the Hamilton Inlet Bank and the Grand Banks off Newfoundland. Here overfishing has had a very serious effect on the Labrador fishery, causing it to decline by alarming proportions. In fact, the Grand Banks of Newfoundland, which 15 years ago gave large quantities of haddock to Atlantic Canada and the east coast fishery, are today practically devoid of this species.

This is understandable when we examine the fishing methods followed by the United Kingdom, the U.S.S.R., Poland, Portugal, Spain, Norway and East and West Germany. The Soviets and other Communist bloc countries at present favour the mother ship principle in which a number of catcher vessels operate in conjunction with a

large factory ship. One of the latest additions to the Soviet fleet is the giant 43,000 ton *Vostok* which carries on board 14 catcher vessels each of 66 tons. The ship also carries a helicopter for spotting schools of fish, and apart from the working and living accommodation has a club, a cinema, a concert hall, a library, shops, a medical centre and a swimming pool. It has a power generating station sufficient to provide power for a town of 10,000 people.

Obviously, the Soviets are not concerned about the cost of catching fish. They have a different motivation. They catch fish for food, while we in Canada, the people in our industry, must try to catch fish for profit, which is very difficult to do at present; in fact, it is becoming impossible. In addition to the *Vostok*, the Soviets have 600 factory and freezer stern trawlers, and Japan has built up a similar sized fleet which searches the world for fish.

You may well ask, what chance have the fish of escaping this onslaught; what are their chances of survival? The answer is that they are not surviving. Press releases by the Department of Fisheries show that the dollar values are high, reflecting, I would point out, higher prices due to the scarcity of the product. I regret the fact that the government, in the Throne Speech, takes credit for these higher prices. The higher prices are due to the decline and scarcity of the product, not to any action that has been taken by the Trudeau administration.

However, according to fisheries statistics the total pounds landed dropped from 1,233 million in 1969 to 1,121 million in 1971. In view of the decline in haddock catches, controls have been applied in some areas under ICNAF supervision, but it is too early to assess the results. However, I believe this type of fisheries management will have to be applied to other species if the stocks of fish are to recover in sufficient quantities to provide us with a viable fishing industry.

It cannot be said too often or too strongly that fishing is a major factor in the economy of Atlantic Canada, and every effort must be made to see that it is preserved. Where fishing quotas have been established by ICNAF there has been international acceptance of these restrictions. However, quotas, to be effective, must be set at a point somewhere below recent catches. This must be done if they are to achieve the desired effect of rehabilitating stocks of various species. I believe in setting up any management system for our fisheries and that the rights of the coastal state to manage our fish stocks must be recognized. Haddock, flounder and codfish are already being overfished and there is evidence that herring are now being fished close to their maximum sustainable yield. Quotas on haddock and flounder have already been set in some areas, but other species must be protected.

I mention these facts so that the government will be aware of the serious problems facing our fishing industry and will take a stand on them before it is too late. Certainly, we from Atlantic Canada are trying to do everything we can as members representing these areas to make the government aware of the serious problems facing our fishing industry. As the government is aware, Iceland has a conservation problem and it announced in July of 1971 that it will extend its fisheries jurisdiction by September, 1972, to the outer limits of its continental shelf.

[Mr. Crouse.]

When taking this stand, the Icelandic government stated that it is unrealistic that foreign nationals can be prevented from pumping oil or other resources from the seabed or the subsoil of the continental shelf but that they cannot in the same manner be prevented from destroying other resources which are based on the same seabed. I contend that is a good philosophy for Canada to adopt.

Some hon. Members: Hear, hear!

Mr. Crouse: This is the type of positive stand that Canada should now be taking. If the Secretary of State for External Affairs (Mr. Sharp) had any backbone, our fisheries would not now be facing disaster. The Minister of Fisheries (Mr. Davis), in his speech to this House on October 14, 1971 as recorded at page 8678 of *Hansard*, said the following:

> Our basic approach is to establish a managed fishery not only in our own exclusive limits but out over all our continental shelf—which in cases extends 400 miles into the Atlantic and all of the slope beyond it and to insist that in future it is by agreement a managed fishery.

• (2140)

Obviously, the Minister of the Environment and Minister of Fisheries got the message from our fishing industry. Obviously, he is willing to take a stand on the matter, and I assure him, through you, Sir, of the support of the official opposition for his stand as put forward on October 14, 1971. However, I realize that he must also have the support of Canada's Secretary of State for External Affairs, who has procrastinated ever since being appointed to that portfolio in introducing fisheries legislation designed to conserve our fisheries resources. This was the fault of his Liberal predecessor who faithfully promised our fishermen a 12-mile limit away back in 1964. I think it is regrettable that the present minister is following the same path.

Our fishermen, Mr. Speaker, want performance, not promises. I say to the Secretary of State for External Affairs, to the Prime Minister and to the government, that they may be able to wait until the Law of the Sea Conference is called some time in 1973, or in 1974—we learned, in answer to a question this week, that the date, has not yet been set—but the foreign fishing fleets are not waiting; they are vacuum-cleaning our fishing grounds, and by the time a conference is called many of our important species will be depleted beyond the point of no return. The situation is crying out for action now. I hope this government acts before it is too late to save this important primary industry which is vital to the over-all economy of Atlantic Canada.

[*Translation*]

Mr. Henry Latulippe (Compton): Mr. Speaker, I appreciate having the honour to express my entire approval to the mover and seconder of the Address in reply to the Speech from the Throne.

Mr. Speaker, tonight I should like to focus on the main points of the Speech from the Throne and bring the government to face what it has done.

How far have we got since this government has been in power? I shall review the highlights of the speech. I am not criticising the speech as a whole because it contains some points I approve of. I shall limit myself to asking the

government to implement the principles expressed in the speech, which would certainly bring about a change in our economy, since the speech advocates payment of a guaranteed annual income.

For years we have been fighting to get it. We want it and if the government does bring such legislation forward we can certainly help in having it adopted.

Mr. Speaker, so far the government has not done much toward the creation of the just society. It has been content with such half measures as setting up new departments, creating jobs for several hon. members and conducting inquiries into several sectors of the economy. I have in mind the Economic Council, the Inquiry on Bilingualism and Biculturalism, and all sorts of other inquiries.

This setting up of commissions, and those changes in the cabinet are mere shifts meant to stifle criticism and camouflage apparent inequities which might have come to light.

Changes effected within departments will prevent certain events taking place.

We are still facing the same paradox, Mr. Speaker. Particularly since 1966, we have seen many a Royal inquiry conducted, many commissions of learned specialists, or of the Senate and the House set up, many white papers published and many official reports of the Economic Council of Canada, all prepared by eminent economic authorities of Canada, some even with the assistance of foreign specialists. They painted a detailed picture of all aspects of economic life in Canada, and particularly of the alleged causes of inflation, unemployment and poverty, all of which are being discussed these days by hon. members, but no solutions to all these problems seem to be forthcoming.

Inflation, unemployment and poverty are the three separate results of the same economic sickness which can be described as the national economic imbalance. The more we use the present system, that is the tax system, and the present economic principles, the more we will witness the imbalances that will unfortunately lead our people to impractical solutions.

Mr. Speaker, why do all the great learned men thus brought together fail to better identify the causes of our economic lack of balance and suggest solutions that would lead once more to economic equilibrium? Why can they not manage to agree at least on specific points?

Mr. Speaker, all sorts of solutions are sought. The economists fail to agree in suggesting the principles of valid solutions; they disagree on practically every aspect of the economy. Attempts are made to promote production and capitalization while consumption is sadly lacking, in the case of over 60 per cent of the population. Efforts are made to train ordinary workers, professionals and technicians, once again to encourage production, while very often consumption lags behind.

No one seems to agree, here again, neither in the large universities of Europe, in the States and elsewhere, nor amongst the academics, on basic principles that might justify a practical solution to cure our economy.

Mr. Speaker, foreign investments keep us dependent upon foreigners. Everyone talks about it. I say we must make our own investments, based on the same resources, through Canadian institutions.

Mr. Speaker, our Canadian institutions are surely capable of stepping in and supplying the capital required to allow the developments warranted by the economic possibilities we are all aware of in our country.

Mr. Speaker, Canada cannot continue to create employment while showing deficits. The increased deficit will be a cruel problem after the election, since the budget will have to be balanced and this will only be achieved through a general tax increase blamed on inflation or levied for the sake of economic rehabilitation through so-called social development taxes.

The Canadian people can live more or less satisfactorily if they get into debt. Our government has merely continued to carry out the disastrous policy of previous governments; it has continued to carry out the same policy of running into debt and making compromises. Uncertainty and the shifting of a policy of surrender going from inflation to deflation leads to a centralizing policy. Never in the history of our country have we experienced such centralization and such loss of freedom. Bill C-259, on tax reform will deprive the Canadian taxpayers of the few assets which they still own.

• (2150)

We have never seen so many bankruptcies and so many citizens assigning their property as at the present time. Farming is now being centralized. Private enterprise has never been so threatened. Industry is increasingly running into debt and is ill-affected due to the direct meddling of the State in its affairs. The economic health of Canadians is in danger. The solutions considered by the government are antieconomic, antisocial and immoral. While production is increasing, the purchasing power should also be increasing, but on the contrary it is falling. Canadians are thus subjected to constant inbalance. We now find only indifference among builders, dissatisfaction among labourers, uncertainty among professionals and anarchy in the industry.

Because of this policy, the cost of living has increased to such an extent that most Canadians are no longer able to meet their obligations. The increase in the cost of living has incited all salaried workers, all pensioners, all recipients of welfare payments, who live at the expense of others, to continually ask for salary increases; consequently, there will be new taxes and the same comedy will be played again.

Yet, we are told that all is well. Why adopt legislation the only effect of which is to annoy Canadians, to deprive them of their possessions and to prevent them from taking any action by punishing them? The day will come when the system will have to pay for its follies, beginning with unemployment of which it is the cause.

One must open one's eyes. Canadians no longer have any future in the present economic system. So, we must look for other solutions. Everything has been tried to make the economic system bearable, but imbalance is all we know. According to some experts, we needed education in order to become richer or in order to live, but unemployment continues and we remain as poor as before. Credit societies, of which much was expected, were created, but farms and industries continue to go bankrupt and to disappear. Savings and investment funds have been created, but most of our savings remain in the

hands of financial and foreign trusts. Everything has been tried, but no government control has succeeded in civilizing the present economic system. So, Mr. Speaker, as a solution, the government has increased the Unemployment Insurance Fund. That is the only solution, the only method that the government has tried so far. Social welfare through retraining courses has been invented and the already large number of welfare recipients is increasing. Social welfare is more and more popular and represents from 25 to 30 per cent of the federal and provincial budgets. Disguised social welfare and regional development companies have been created, but unemployment persists.

Such are the results of trying to adjust to the system instead of adjusting the system to the needs of the people. We need to open our eyes, Mr. Speaker, and look in another direction. The radical changes proposed by the Créditistes have not yet entered the hearts of the leaders of this country. Nobody can come up with any other answers. All sorts of solutions have been proposed and tried. All sorts of measures have been implemented but they always end up going round in circles, and those who sit on the opposition benches, like the Progressive Conservative members, for instance, claim that they are experts, but once they are in power they do exactly the same thing as their predecessors.

What we need is reforms in depth. The Speech from the Throne proposes a few, and I will be most eager to state tomorrow the things which I feel are valuable in this speech and to ask the government to implement the proposed reforms, and the opposition to support them.

May I point out, Mr. Speaker, that it is now ten o'clock?

* * *

ROUTINE PROCEEDINGS

ADMINISTRATION OF JUSTICE

RELEASE OF YVES GEOFFROY FROM ST. VINCENT DE PAUL PENITENTIARY—TABLING OF LETTERS

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, I rise on a point of order.

The Acting Speaker (Mr. Laniel): Order, please. I recognize the Solicitor General.

Mr. Goyer: Mr. Speaker, I would like, following your ruling, to table three letters: the first one is the letter dated June 28 1971, addressed by Mr. Yves Geoffroy to the Commissioner of Penitentiaries; the second is a report dated August 19, 1971, from Miss Micheline Cornellier, a social worker, to the Commissioner of Penitentiaries; and the third one is a letter dated November 3, 1971, addressed by the Reverend J. A. Nickels, the Chief of the Chaplaincy Service of the Canadian Penitentiary Service, to the director of the Saint-Vincent-de-Paul penitentiary. There are two copies of each letter.

The Acting Speaker (Mr. Laniel): Does the House agree to the tabling of the three documents just mentioned by the Solicitor General?

Some hon. Members: Agreed.

[Mr. Latulippe.]

[*English*]

PROCEEDINGS ON ADJOURNMENT MOTION

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

BRIDGES—VANCOUVER HARBOUR—GOVERNMENT FINANCIAL CONTRIBUTION TO CONSTRUCTION OF PROPOSED THIRD STRUCTURE

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, this afternoon I asked the Minister of Transport (Mr. Jamieson) if the government is prepared to make its promised loan contribution of $123 million to assist the city of Vancouver with its transportation difficulties for whatever form of transport the city council decides is most desirable. Regrettably, the minister dodged my question by indicating in a jocular manner that he could not rightly recall any such promise. Evidently he was unable to recall that two of his cabinet colleagues from British Columbia had made differing pronouncements on the matter earlier this month. On one thing, however, they agreed, that the federal government was committed to lend money for a third crossing of Burrard Inlet.

During the first week of February, the Minister of the Environment (Mr. Davis), at a press conference in Mayor Tom Campbell's office, stated unequivocally that Ottawa was committed to making a loan, estimated in 1970 at $123 million. A week later, in the same office, the Minister of State for Urban Affairs (Mr. Basford) acknowledged existence of the commitment, but declared as follows:

Any government decision is subject to change—

He added:

—but no government spends money unless there is a feeling—

That is, in a community.

—the money should be spent.

A third British Columbia cabinet minister had taken yet another contradictory position a little earlier. The Minister of Veterans Affairs (Mr. Laing) gave it as his opinion that there is—

—no heavy consensus in favour of the project. I have heard an engineering expert from the United States say here that the last thing we need is another crossing. We are considering here a tremendous amount of money. There is a rising view that premier attention should be given to rapid transit . . . The opposition, as I read it, is restricted to a fast bus service rather than accommodating everyone who wants to bring his own car downtown.

• (2200)

Yet another element was added by the chairman of the Vancouver Port Authority, Mr. Bill Rathie, a former mayor, who seems to be devoting most of his energies to pushing hard for a third crossing. He holds that the federal government would require a plebiscite before advancing the loan. Meanwhile, as a background, we have the on again-off again dithering of the City Fathers concerning the desirability of a public hearing and a plebiscite.

To top it all off, Mr. Speaker, we have the findings of Mayor Tom Campbell that those who oppose the third crossing are nothing but a rabble of Communists, Maoists and Hamburgers. He defines "Hamburgers" in his own

inimitable fashion as persons who do not possess a university degree.

Given this welter of confusion and comic opera, I think it will be agreed that it was not unreasonable of me to ask the Minister of Transport for an early statement of the government's policy on this matter. Perhaps one can understand his temptation to treat the situation with levity, but I feel that in doing so he is hardly living up to his responsibility as Minister of Transport. Vancouver is faced by serious problems of traffic congestion which must be dealt with at once if the city is not to become choked with cars and pollution. A great many concerned citizens are worried by all this flim-flam, delay and secrecy. They have in the past suffered bitter experiences which lead them to fear that under all the apparent indecision and confusion, far reaching moves are being made in response to the demands of a relatively small number of citizens at the expense of the well-being of the entire community.

I would urge the Minister of Transport to announce clearly that if and when the city council of Vancouver reaches a firm decision on how it intends to deal with its transportation problems, the loan of $123 million will be made available. Such an announcement would represent a great step in clarifying the situation. The people of Vancouver need to know the facts and I hope the minister will take the lead in making those facts available.

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the government has no wish to contribute to the construction of a third crossing against the will of the people. The "commitment" to which reference has been made is an offer rather than an irreversible decision. It is hoped that full discussion will lead to the establishment of a consensus. If the local and provincial governments will make commitments reflecting such a consensus, the offer can be taken as being validated and construction may begin.

It might be added that the proposal contemplates the provision of a rapid transit corridor which can be adapted to suit any form of transit that the local municipalities may decide to establish.

FISHERIES—POSSIBLE VARIATION IN LOBSTER SEASON, DISTRICT NO. 5, NOVA SCOTIA

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, this afternoon I addressed a question to the Minister of Fisheries (Mr. Davis) about his intentions with regard to making a public statement concerning a possible variation in the length of the lobster fishing season in district No. 5, Nova scotia. With all respect, I found his answer to be evasive, glib and self-serving. It seems to me that if that is the basis upon which the minister wishes to deal with a problem which people in the area consider to be very serious, he should be asked certain questions.

The fishermen in this area are not at all happy, despite the minister's glib assurance that things were never better for the lobster fishermen. They want to know the answers to some general questions; for instance, what has happened to sick mariner's benefits, and what is the situation with respect to the fishing bounty? The bounty has gone, they know that. They know, also, that sick mariner's benefits have gone and that the replacement scheme is not satisfactory. They know that subsidies to assist in the building of small vessels have been reduced, and they resent very much the encroachment of foreign fishing vessels. It seems obvious to them that the fisheries branch of the Department of the Environment, and the external affairs department are not doing what they should be doing generally.

In particular, Mr. Speaker, what vexes them is the situation regarding the so-called poll taken in district No. 5 with which I have dealt and about which I have corresponded with the minister. I think it can be summed up best by reading into the record a letter received from the Goldboro-Bayview District Board of Trade, which is a prominent and concerned organization in this area. I think this letter will prove informative and, as I say, sums up the situation very well. It reads:

Dear Mr. MacKay:

Thank you very much for your assistance in our effort to determine the status of the lobster fishing season in district No. 5, Nova Scotia. The frustrating and conflicting replies you have received from the Minister of Fisheries again confirms his lack of understanding and regard for our inshore fishery.

The 20 day reduction imposed now leaves us with a ridiculously short season of only two months from April 10 to June 10. We are now cut back to a point that when Sunday's, average bad weather and drift ice are considered actual fishing time will amount to about 42 days a year which hardly makes the other 323 days of comparitive meagre existence worth the effort of maintaining expensive equipment.

We feel that our opinions are based on a sound and practical working knowledge of the situation with a backing of generations of experience. We are worthy of more consideration than that given by the minister when dealing with people who are neglected and ignored.

When asked for justification for his cruel decision the minister advised that a survey of class A fishermen showed that 85 per cent were in favour of a shorter season. When this was proven to be false he then advised that 230 fishermen were polled with 90 per cent being in favour of a shorter season. The fact that there are actually 689 class A lobster fishermen in this district and none of those contacted to date are aware of a survey makes the minister's figures and percentages even more confusing.

The minister suggests a variation order may be issued to change the dates after the season opens. This does not afford the security needed to ensure a viable industry. Action should immediately be taken to ensure the survival of our lobster fishery by the department obtaining the facts here not as dreamed at desks in Ottawa.

These are harsh words indeed, and I do not like to talk about this subject in such an acrimonous way. Had the minister answered my question in a courteous and informative manner, perhaps I would not have deemed it necessary to read this kind of letter into the public record. But I have had many such letters, Mr. Speaker. Petitions have been sent both to the minister and to the President of the Privy Council (Mr. MacEachen). By coincidence I received a letter today after I had asked the minister my question this morning. This particular writer suggests that the minister does not know a cohoe from a groundhog. I suggest, with deference and with as little offence as I can under the circumstances, that if some of the civil servants in the minister's department would go down to the district concerned, check with the fishermen and conduct straightforward polls, spend a little time with them and find out what is going on—in other words, exert a little guidance and direction instead of dictating to these

fishermen—then we would all be better off. Not only would there be better public relations between the minister and his department and the fishermen concerned, but I suggest some more constructive steps could be taken.

Hon. Jack Davis (Minister of the Environment and Minister of Fisheries): Mr. Speaker, I cannot think of any fishery in Canada that is conducted on a more democratic basis. The fishermen in question are polled as to their preference and the Department of Fisheries does its best to accommodate their preference as far as length of season is concerned. The hon. member may not be aware of this, but in the United States there is no season whatsoever. In Canada, we have different seasons in different areas, based primarily on the wishes of the lobster fishermen.

The present lobster season in district No. 5 in Nova Scotia was established on May 25, 1971, following a survey which indicated that the vast majority, 85 to 90 per cent, of the licensed lobster fishermen in that district favoured a 60-day season opening on April 10 and closing on June 10 of that year. The hon. member has suggested to me in previous correspondence that the lobster fishermen of district No. 5 would now prefer a return to the former 80-day fishing season opening on April 10 and closing on June 30.

• (2210)

I have been advised that this question could properly be resolved based on fishermen's preference. In a letter dated December 14 I told the hon. member that all fishermen would be requested to indicate their preference for the June 10 or June 30 closing date at the time they purchase their licences in the spring. I can now report to the hon. member that this instruction has been issued and that the question is being asked of all fishermen who are now purchasing licences in district No. 5. In this way we hope to obtain a valid survey of the opinion of licensed lobstermen in district No. 5 on this question.

In addition, I will now undertake to make public the results of this survey. I also undertake to change the closing date if the survey results in a clear indication that this measure is what most lobstermen want. Finally, if a change in the closing date is to take place, the order to this effect will be issued in time to implement the new closing date this year, 1972.

CANADIAN PACIFIC RAILWAY—REMOVAL OF STATION AGENTS, SASKATCHEWAN AND ALBERTA—CONSIDERATION OF NATURE OF UNDERTAKINGS BY COMPANY IN REVIEW

Mr. John Burton (Regina East): Mr. Speaker, today questions were asked in the House about the decision rendered by the Canadian Transport Commission with respect to the application of Canadian Pacific Railway to remove some 56 station agents, nine caretakers and four caretaker agents from stations in Saskatchewan, four agents and three caretakers from stations in Alberta. As a substitute, Canadian Pacific Railway proposed a customer service centre at Saskatoon to serve all of the northern settled area of Saskatchewan and some parts of Alberta.

[Mr. MacKay.]

I was very happy that the minister undertook to look at the situation. My question drew special attention to the fact that the decision rendered by the Canadian Transport Commission was conditional upon certain undertakings and commitments given by the CPR and to which the commission seemed to attach considerable importance. In my view, these commitments and undertakings were fatuous and meaningless and I feel they impose a special obligation upon the government to review this matter. I was happy to note that the minister stated he would take note of this particular factor.

The background of the situation is that the CPR made application early in 1969 to abandon the stations as noted, and to substitute the customer service centre located in Saskatoon. The Canadian Transport Commission decision was rendered on January 5, 1971. On February 4, 1971, the government of Saskatchewan applied to the commission to review its decision. A review was ordered. I might say that the action of the Saskatchewan government was continued later in the year in spite of the fact that there had been a change of government in the interim. Mr. Speaker, hearings were ordered as a result of this review and these were held early in December, 1971, taking nine days and hearing 96 witnesses. This demonstrates the interest in this matter. Now the decision has been rendered by the Canadian Transport Commission to let its original decision stand.

My question arose in part as a result of reading the decision of the commission, which seemed to leave the impression that it rejected all those who in any way opposed or stood in the way of the CPR or its aims and objectives. It seemed to accept the CPR argument as being the final word.

I want to take note of the position of the province of Saskatchewan in this regard, which was noted in the report of the committee, where it is pointed out that Mr. Blair, speaking on behalf of the government of Saskatchewan, stated that it is not opposed to the aspects of the customer service centre concept which will provide equal or better service to its citizens and it recognizes the need for change where change is justified.

Mr. Speaker, I also note that there are other matters which should be reviewed by the cabinet. I note in particular that they draw on the experience in the Regina and Moose Jaw areas in the customer service centre operations that have been established there. They note that there no information was given to the committee which could be regarded as evidence of lack of satisfaction with the operation of this plan. Mr. Speaker, I submit that there has been no proper study of the operation of the customer service centre plan in this particular area of the province, and the committee should not reach the type of conclusion it did unless a proper study is carried out.

But the CTC overruled all objections that were made and gave the CPR authority to proceed with its new plan and made this conditional upon the conditions of the CPR. I want to take note of the conditions which were given by the CPR. First of all, CP rail will, with the Railway Transport Committee's permission, introduce the CSC system on the Saskatoon division. That is rather elementary. Second, CP rail will provide a Zenith telephone system with customer toll-free, 24-hour, 7-day operation. This totally ignores the many complaints which

have been made about lack of satisfactory telephone service. Third, CP rail will appoint 14 mobile supervisors to supervise the areas designated in exhibit No. CP 12.

The question arises whether these 14 supervisors will remain. Evidence was submitted that supervisors were taken out after being in certain areas for a short period of time. Fourth, CP Rail will appoint a competent and responsible contract representative at necessary locations. The CTC did not prescribe the locations. Then here is No. 11; I do not have time to refer to all of these. CP rail undertakes, at stations where agents are to be removed and where there is passenger service, to provide a suitable shelter, heated and lighted with access thereto, including snow removal. There is not one of these points or stations where there is any passenger service. What a fatuous commitment the CPR made!

In view of the many judgments which entered into the decision rendered by the Canadian Transport Commission, I would urge that the cabinet review the decision handed down. I want to make it clear that the decision of the Canadian Transport Commission may be proper within the terms of the law set out in the National Transport Act, but I suggest it is the National Transport Act itself which is defective and only the cabinet can review the matter from the viewpoint of the public interest.

I suggest the future of many Saskatchewan communities is at stake in this particular decision. I suggest it is vital that all Saskatchewan communities be assured of adequate service. In my own brief to the CTC in these hearings I made the point that I feel it is necessary that in each community served by CPR there is a clear and adequate identification of the railway company to the people of the community. This must involve adequate facilities, adequate services and a capability granted to personnel enabling them satisfactorily to conduct business with the public. For these and many other reasons I urge the federal government to review the decision of the Canadian Transport Commission.

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I should like to inform the hon. member for Regina East (Mr. Burton) that I have today consulted with the president of the Canadian Transport Commission, who has assured me that any and every specific complaint that the CPR is not carrying out any of the undertakings given the commission and set out in the decision will be investigated promptly and remedial action will be taken wherever warranted.

Motion agreed to and the House adjourned at 10.21 p.m.

HOUSE OF COMMONS

Wednesday, February 23, 1972

The House met at 2 p.m.

PRIVILEGE

MR. BALDWIN—LEAK OF GOVERNMENT POLICY ON FOREIGN OWNERSHIP

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I rise on a question of privilege, notice of which I have sent to Your Honour. It relates to the publication in today's Toronto *Star* of a story concerning another cabinet leak in connection with a so-called release of government policy on foreign ownership. Today's story in the *Star* is not the first instance of leaks of secret government documents in relation to the government's consideration of foreign investment policy. Your Honour may recall the publication in the *Canadian Forum* of what purported to be the Gray report, and the question of privilege which I introduced on November 15, 1971, in that connection. Immediately on the heels of that report, Southam News Services published excerpts from confidential cabinet minutes relating to a decision in principle, arrived at in July of last year, to establish a screening agency in connection with foreign takeovers. Questions of privilege were again raised as a result of that leak.

I review this history briefly before making two points as I rise on this further question of privilege today. The first is that the government to this date has given no satisfactory explanation—in fact, it has given no account at all—of any investigation which may have been undertaken into these previous leaks. There are a great many unanswered questions about whether these leaks may, in fact, have been encouraged by the government, or by one or other of the members of the government, as an exercise in kite-flying. I feel I am entitled to say this; inasmuch as in the course of the earlier events it was suggested that members of the opposition might have been encouraging such leaks through members of the public service, I feel I am entitled to make this retort. In any event, the onus of uncovering the source of the leaks through a thorough investigation rests on the government, and the government has not given the House any satisfaction in this regard. As a result of this failure a cloud of suspicion has been left hanging over both parliament itself and the public service, a situation which, I suggest, will be further aggravated by this latest leak.

Turning now to my second point, I should like to contrast the arguments which I have previously put to Your Honour with the argument I am presenting today. I submit that this latest leak falls within a new context and contains an added dimension which I feel should make my argument acceptable to the Chair. Again, a brief bit of history is required to illuminate my point—the history of statements made by the Prime Minister with reference to the possible date of the unveiling of government policy on foreign ownership. I do not think I need say more than this: in the *Globe and Mail* of today and yesterday statements are cited in the column of Mr. George Bain constituting what I would call a chronology of confusion and deception as to this question of the date. It does show, however, that as far back as September 15 the Prime Minister said in the House, referring to the question of government policy on this issue: "This is at an advanced stage and we expect to have a report fairly soon." The statement made in the House yesterday said the same thing in different words.

The document which was published in the Toronto *Star* today quotes the Minister of National Revenue as making the following recommendations to cabinet. He was requested, according to the story, to make four recommendations.

> The minister outlined four options: to make the announcement now without any supporting study; to make the announcement with a 50-page summary of the main study; to delay until late March or early April when the main study would be ready, or to wait until both the legislation and the study are ready.

According to the story, the minister recommended that it be announced during the Throne Speech debate which ends next Tuesday, with a promise to release the supporting study as soon as possible. Then appear in quotation marks the following words:

> This option—

The option of presenting the policy immediately.

> —would involve some embarrassment to the government in that the presentation of the policy statement has been held off on the grounds that he did not want to issue it without the supporting material.

I pause here to say I find it very difficult to embarrass this government any further than it has already been embarrassed with regard to this issue. According to the newspaper report the minister added in his memorandum:

> The policy statement might also look a little thin without this additional material.
>
> On the other hand, it would in my view be even more difficult to postpone the policy statement to a date much later than the end of the Throne Speech debate. Undertakings have been given publicly on a number of occasions and from the viewpoint of the government's credibility—

I pause again to say that there is some doubt whether the government has any credibility left, Mr. Speaker.

> —vis-à-vis the public there is probably less to be lost by issuing a full statement, with supporting material to follow a few weeks later, than by postponing the policy statement for a further period.

Obviously the minister lost that battle.

The Prime Minister has been telling us in the House and outside the House, and so have other members of the government, that this supporting material must be available. That is the basis upon which up to this time the government has declined to publish the policy. We now find that the supporting material is, in fact, no more than the Gray report which has been in the hands of the government for at least four months. The fact is that when it was leaked in the *Canadian Forum* it has obviously been in the hands of the government for some time. The report in today's *Star* goes on to say:

• (1410)

—delays in editing the Gray report, called the "Memorandum on Domestic Control of the National Economic Environment", have held up the announcement.

I think Your Honour should take judicial notice that what is happening is this. Rather than it being a case of having new supporting material in order to back up the decision it has made, the government is attempting to revise and edit the Gray report so as to make it more acceptable and to work it into the basis of the policy that it is going to announce.

In conclusion, considering the total effect of both arguments, I submit to Your Honour that there has in fact been a breach of privilege affecting all members of this House. The leaks continue and a cloud of suspicion hangs over all members. The government has taken no action effectively to stop this process. The Prime Minister and the Acting Prime Minister have made evasive, misleading and conflicting statements in relation to the release date of government policy which is still undergoing the leak process, and the government will only clear the air by making a full and complete disclosure of that general policy.

I submit that Your Honour has a duty to safeguard the rights of the members of this House, and that the government is under compulsion either to disclose the policy immediately or to stand guilty of its conduct of confusion and deception with which I have charged the government.

Mr. Speaker: The hon. member for Peace River has given the Chair the notice required under the terms of the Standing Order. This has given me the opportunity in the meantime to consider some of the points which have been advanced by the hon. member at this time and to consider as well the arguments which were proposed for the consideration of the House and the Chair when a similar question of privilege was raised previously.

I have to tell the hon. member and the House that I cannot reach the same conclusion as that reached by the hon. member for Peace River, namely, that there is a prima facie case of privilege. There may be a grievance. The circumstances that the hon. member has described may well form the foundation for a non-confidence motion. But I cannot see how this type of situation can or should be considered by the House by way of a breach of parliamentary privilege.

[Mr. Baldwin.]

I add that in my view the arguments advanced by the hon. member are essentially debate, and I would think that there should be in the foreseeable future, even in the course of the present debate, an opportunity for the hon. member and other hon. members to consider the matter to which he has alluded.

ROUTINE PROCEEDINGS

MAIN ESTIMATES, 1972-73

A message from His Excellency the Governor General transmitting estimates for the financial year ending March 31, 1973, was presented by Hon. C. M. Drury (President of the Treasury Board) and read by Mr. Speaker to the House.

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, in tabling the main estimates for 1972-73 I should like to advise the House that they amount in total to $15,749 million in budgetary expenditures. About one half of this amount, $7,640 million, is statutory in nature in that it follows from legislation previously passed by parliament and still in force. The remaining $8,109 million will require authorization under new appropriation acts.

The blue book which has just been tabled carries a forecast of the budgetary expenditures for the fiscal year which is now coming to an end. These amount in total to $15,058 million, almost exactly $700 million less than the estimates for the new year. Almost one half the difference arises from statutory items and in particular from the statutory items covering transfers to the provinces, or arrangements under which the federal government shares with the provinces costs of health, welfare and educational programs.

Increases in non-statutory items, other than those required to maintain levels of service with rising costs and greater demands, emphasize the government's concerns. Prominent examples are: Regional Economic Expansion, Department of the Environment, Indian and Eskimo Affairs, Northern Development and Canadian International Development.

A specific provision of $62 million is made for student summer employment over and above about $23 million set aside for this purpose in departmental budgets.

The estimates also cover $790 million in non-budgetary expenditures, that is, in loans, investments and advances, for which it is necessary to seek appropriation authority from parliament. This does not cover all non-budgetary expenditures. There are other expenditures of this nature, not shown anywhere in estimates, which may be made pursuant to legislation now in force such as the National Housing Act.

There is a small but important addition this year to the amount of information contained in the estimates. There are several instances in which programs generate revenues. In the past the only information supplied in estimates

has consisted of an entry stating the total estimated revenue to be credited directly to the program itself and the total to be credited to general revenues. In these estimates we show for the first time detail by type as to the actual source of the revenue, such as revenues from sales of permits, the proceeds of sales, and fees for services.

Hon. members will recall, Mr. Speaker, that the government made available last year a publication entitled "How Your Tax Dollar is Spent" designed to inform the public on the allocation of resources being recommended in 1971-72 estimates in terms of national priorities and needs and also to describe the process by which the government reaches its decisions on these allocations.

The 1972 edition of this publication is being distributed to all members today. It will describe in summary terms the recommended allocation of resources for 1972-73, again in terms of national priorities and needs. The description of the process itself is carried a step further with a brief account of the various steps which go to make up the parliamentary business of supply. Again this year the publication will be made available to the public free of charge through the distribution outlets of Information Canada.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, the task of making any detailed reference to this rather thick book that has been laid on our desks since we came into the House is very difficult. The minister has had the advantage of a plethora of officials who have been able to comb the book and seek out all the advantageous portions so he could put them forward in his statement.

• (1420)

There is one thing, of course, that the people of Canada will have to note very carefully and which is borne out by forecasts made both inside and outside the House. The fact is that the tax changes that were made in 1971 were for the purpose of raising greater and greater revenues. It is admitted that, without any supplementaries indicated for 1972-73 the expenditures are close to $550 million more than in the budget for 1971-72. If we look at the supplementaries for 1971-72 we see that, not including final supplementaries for that year, the 1971-72 additional estimates came to some $600 million to $700 million. I suppose, on the basis of last year's performance, with this government not behaving in any different way, we will see approximately three-quarters of a billion dollars in supplementary estimates for 1972-73 which will take us well over the $16 billion mark.

I would quite confidently forecast that for 1972-73 having regard to the economic conditions of the country, we will reach $16½ billion. When we compare the amount ten years ago of $6,500 million, we see that the federal government's expenditures have tripled in ten years. Some people may say "hurrah for that". The only point, however, is that this money comes out of the pockets of the Canadian taxpayers. It comes straight out of the economy. This is the point. Is the Canadian economy sufficiently active and geared or is it taxed to death in order to support this type of expenditure?

We will look at the details and I am sure there will be some particular points of interest for hon. members. I do not know whether this is prophetic, but the expenditures of the Chief Electoral Officer for this coming year have been halved. There is no provision there at all for what everyone expects to happen. As a matter of fact they have been halved. We do not know whether somebody is trying to play a little game here.

An hon. Member: No election.

Mr. Lambert (Edmonton West): No election this year? You said it; I didn't. Considering the type of service we are getting today from that august body, the Canadian Broadcasting Corporation—now it is on and now it is off—

Mr. Speaker: Order, please. I take the liberty to remind the hon. member that, according to the Standing Order, as much as circumstances will permit comments made should be brief. I appreciate the importance of the matter but I would hope the hon. member would not attempt to consider all the different items and departments covered by the blue book. I have to remind him that we should try to keep the comments made by spokesmen on behalf of the parties as brief as possible consistent with the requirements of the Standing Order.

Mr. Lambert (Edmonton West): Yes, but I think that if you measure me line for line you will find that up to the present time I am still well below the minister's statement in length.

Mr. Speaker: Order, please. I suggest to the hon. member that he should not argue. I remind him that the Standing Order is drafted in such a way, perhaps unfortunately, that it does not place a limit on statements of ministers but only on the comments made by spokesmen of the parties who respond. Having said that, I would hope the hon. member would find it possible to co-operate as I have suggested.

Mr. Lambert (Edmonton West): Mr. Speaker, I have only one comment to make. I am very much aware of what you have said and I hope we do not get any performances like yesterday at this point.

With regard to the CBC, that august body is asking us to vote an additional $26 million additional in estimates plus a further $32 million for loans. Of course, that is a euphemistic word for something that will have to be absorbed by the taxpayers of Canada. I hope that those people who are responsible for the administration of that body and those who participate in it are aware that this year they are asking for an additional $57 million to $58 million.

With that I will draw my remarks to a close, but I trust, Mr. Speaker, that the rule regarding the length of statements will apply equally to minister's statements as it does to comments by members of the opposition.

Mr. Max Saltsman (Waterloo): Mr. Speaker, it is not expected that extensive comments could be made after a brief look at the estimates tabled today, but there are

a couple of items that impressed me immediately upon opening the book as requiring some study. I would like to point out the fact that the forecast estimates for 1972-73 do not seem to have been increased much beyond 4 per cent, yet if we look at the internal overhead expenses there seems to be a substantial increase of almost 15 per cent over last year. From a first glance it would look as though government departments are becoming increasingly more expensive to operate or that the bureaucracy on the other side is proliferating like mad in comparison with the expenditures that are being made naturally. The amount of money that is being raised from the Canadian taxpayers seems to be channelled into overhead expenses rather than into services for the people.

Another item will bear close examination. I refer to the fiscal transfer payments where it appears that the transfer payments to provinces will be less in the coming year than they have been in the past. In view of the vast regional disparities that exist in this country it is hard to find any justification for such a diminution in support of the poorer provinces of Canada.

I appreciate the opportunity of making these brief comments and I assure you, Sir, that these matters will receive close examination.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, two items particularly attracted my attention in the 1972-73 Estimates which have just been tabled.

First of all, under Secretary of State, the cost of operating the Canadian Broadcasting Corporation will reach $207 million, exclusive of operating costs of the National Film Board, etc. I therefore hope the Secretary of State (Mr. Pelletier) will in due course be able to explain the reason for the increase from $181 million last year to $207 this year for services inferior in number and quality to those we enjoyed previously.

The other section I have perused is, under the expenses of the Department of Finance, public debt service which was $2,034,685,000 last year and has increased this year by $125,700,000 bringing the total amount for debt service up to $2,100,385,000. That represents exactly $105 per capita in Canada, or $1,050 for a family of ten, $525 for a family of five. And this fabulous amount allotted to debt service does not seem to worry the government. When we recommend distributing $100 to each citizen it is funny but distributing the same amount to the controller of finance is not so funny.

Those are two points about which we are certainly going to take up cudgels. We shall certainly bring forward facts and clarifications in the House when debating the credits of various departments.

I say and repeat in closing that paying out $2,100,385,000 just for interest on debt service for those who control Canada's economy is simply a national disgrace which should no longer be tolerated.

• (1430)

[*English*]

FISHERIES

DEPLETION OF HERRING RESOURCES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Walter C. Carter (St. John's West): Mr. Speaker, pursuant to Standing Order 43 I ask the unanimous consent of the House to propose a motion in a case of urgent and pressing necessity. I refer to the possible serious depletion of herring resources in the Placentia Bay area caused by the operation of large fleets of herring seiners. I therefore move, seconded by the hon. member for Lisgar (Mr. Murta):

That this House instruct the Minister of Fisheries to inquire immediately into the possible danger of depletion of herring resources in the Placentia Bay region and take steps to impose the necessary conservation measures and to protect the resources and the rights of the inshore fishermen engaged in that industry.

Mr. Speaker: Hon. members have heard the motion. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

ORAL QUESTION PERIOD

THE CANADIAN ECONOMY

MEASURES TO STIMULATE CAPITAL SPENDING IN PRIVATE SECTOR—POLICY REGARDING U.S. DISC PROGRAM AND FOREIGN INVESTMENT

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to direct a question to the right hon. Prime Minister. In light of the pessimistic forecast of capital spending plans for 1973 by the Economic Council of Canada and their conclusion that capital spending projections are wholly inadequate if we are to reduce unemployment to 3.8 per cent by 1975, is the government considering measures now to substantially stimulate capital spending in the private sector, and will action be undertaken before the normal budget presentation of late spring?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have not had time myself to look at this report which has just come out. I am informed, however, that it states quite clearly that one should be cautious in interpreting these figures for the reason that they were based on a survey which took place at a time when there was a great deal of uncertainty in the economy, before the former Minister of Finance's announcement on October 14 of our expenditure programs and especially before the agreement on the international monetary situation, and therefore the excellent work of

the government since the survey took place has no doubt returned confidence to the economy, which invalidates these figures.

Mr. McGrath: In light of the uncertainties in this matter and the report by the Economic Council of Canada, can the Prime Minister make a statement to the House or can he assure the House that a statement will be made regarding government policies with respect to the DISC program and foreign investment? I ask this question now especially in light of the latest Gray leak.

Mr. Trudeau: Mr. Speaker, I do not see the relationship between this and the leak to which the hon. member refers. I just repeat that when the hon. member reads the document, as he must have done to ask this question unless it was prepared by his research staff, he should read the whole document. The document cautions that the figures must not be extrapolated to today because of the uncertainty which existed then, and he should be able to draw the conclusion which I indicated rather than asking spurious questions.

Some hon. Members: Oh, oh!

Mr. McGrath: May I ask a more specific question, Mr. Speaker. What is the government doing about the substantial decline in investment in the Atlantic provinces which is already hurting a crippled economy?

Mr. Trudeau: Mr. Speaker, I can tell the hon. member that what we have done to dispel the uncertainty which existed at the time of this survey was (a) to make the announcement we did on expenditures on October 14 and (b) successfully conclude the agreement on international monetary matters.

Mr. Baldwin: Why don't you try quitting? That would help.

FOREIGN INVESTMENT—CONSULTATION WITH PROVINCES ON CRITERIA AND PROCEDURES FOR SCREENING AGENCY—ALLEGED EDITING OF BACKGROUND DOCUMENT

Mr. David Lewis (York South): Mr. Speaker, with your permission I should like to address a question or questions, to the Prime Minister arising out of a report in the Toronto *Star*. I want to ask him whether there has been consultation with the provinces with regard to the criteria and procedures which are to govern the screening agency? I appreciate that the Prime Minister suggested there has been consultation on the general subject, although he has not told us exactly what kind of consultation. Has there been consultation in particular on the particulars of the criteria and procedures of the proposed screening agency and, if not, is such consultation being arranged?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I believe I did tell the House yesterday what type of consultation we had. It was at the federal-provincial conference of first ministers which took place last fall. We told the provinces that we were in the process of formulating policy on this subject and we wanted to know what remarks they had to make. As to the second part of the question, whether we submitted to them any precise criteria either at that time or since then, the answer is no.

Mr. Lewis: May I ask the Prime Minister whether these criteria and procedures have already been arrived at by the government, particularly in light of the fact that he made a number of undertakings to make a statement on the policy in this area? When he made those undertakings had not the criteria and the procedures already been decided, or are they still under discussion?

Mr. Trudeau: Mr. Speaker, those criteria were under discussion at the time I made my first announcements. We had at that time planned to bring the discussion and decision on those criteria to a head much earlier than we have in fact done. I might add that in some degree we perhaps put more time into the preparation of the background document than we would have had to, had there not been this leak in the *Canadian Forum*. In that sense, those who think they are going to urge the government to more speedy action by this or that type of leak are really achieving the contrary result.

An hon. Member: Little spoiled boy!

Mr. Lewis: May I ask the Prime Minister another question and suggest that threats of the kind he has made do not increase his standing in the country nor his value as Prime Minister.

Some hon. Members: Oh, Oh!

Mr. Lewis: I want to ask the Prime Minister whether the editing of the document which is now supposed to be taking place is merely a matter of editing in the sense of correcting grammar, syntax and the rest, and can he assure the House that the document is not being expurgated or changed in any substance before the people of Canada see it?

Mr. Trudeau: Mr. Speaker, I do not see why the hon. member talks about threats unless he feels threatened from some point. I assure him that there was no threat contained in my previous statement.

Mr. Lewis: May I rephrase the question to the Prime Minister—

Mr. Speaker: Order, please. The hon. member may rephrase the question and then I will recognize the hon. member for Témiscamingue after the supplementary.

Mr. Lewis: May I rephrase my question since the Prime Minister chose to ignore it. Will he assure the House that the supporting document is not being changed or expurgated in any substance before it is tabled for Members of Parliament and the people of Canada?

Mr. Trudeau: Mr. Speaker, if the hon. member is referring, as the supporting document, to the document published in the *Canadian Forum*, I can only answer that that is of no concern to the government. The docu-

ments we are working on we are improving as long as they are in front of us, and we will continue to do so until we feel they are ready to be made public.

* * *

[*Translation*]

INDUSTRY

SHOES—MEASURES TO ASSIST MANUFACTURERS

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, may I ask the Prime Minister a question.

In view of the report by the Shoe Manufacturing Association that 50 per cent of the shoes sold in Canada in 1971, or 39 million pairs, were imports, and in view of the fact that countries exporting these shoes pay salaries 10 per cent lower than in Canada, would the Prime Minister tell whether the government intends to take measures in order to save the shoe manufacturing industry in Canada?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I think that this subject was referred to on a few occasions by the Minister of Industry, Trade and Commerce. I shall ask him to take note of the question and see if he can provide an answer.

* * *

• (1440)

[*English*]

GOVERNMENT ADMINISTRATION

REQUEST FOR REPORT ON INVESTIGATION INTO LEAKING OF CABINET DOCUMENTS

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, will the Prime Minister bring the House up to date on the results of the investigation started more than three months ago into cabinet leaks following some six or seven cabinet leaks that happened in rapid succession at that time, particularly in view of the fact another leak has occurred in the past couple of days making it very obvious that this is an unsatisfactory way of making public policy known to the people?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, I agree that this is a very unsatisfactory way of making policy known, especially before it has become policy. On the substance of the question, yes, I can bring the House up to date. We are not yet in a position to lay any charges for these criminal acts.

Mr. Hees: Does the Prime Minister expect to be able to lay charges in the near future?

Mr. Trudeau: That, Mr. Speaker, depends on whether or not we find the culprits.

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GOVERNMENT PROPERTY

VANCOUVER—BRITISH COLUMBIA LEGISLATURE RESOLUTION CONCERNING CERTAIN NATIONAL DEFENCE LAND—GOVERNMENT POSITION

Right Hon. J. G. Diefenbaker (Prince Albert): My question is directed to the Prime Minister. I am glad to see him smiling after his experience in the past few minutes. My question has to do with a resolution passed unanimously by the legislature of the province of British Columbia on a motion by the Hon. Grace McCarthy, Vancouver-Little Mountain constituency, Minister without Portfolio in the Bennett cabinet, and seconded by Pat McGeer, the leader of the opposition.

An hon. Member: The leader of the Liberal party.

Mr. Diefenbaker: The resolution asks the British Columbia government to arrange the purchase from the federal government of 38 acres of Jericho DND land north of Fourth Avenue earmarked for development, to buy it at the 1947 purchase price of around $2,500 per acre and to make said land available to the public at a nominal rate for park purposes. As this motion had the support of all three parties in the British Columbia legislature and is of tremendous interest to the city of Vancouver, will the Prime Minister say what he has in mind with reference thereto?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would want to defer on the details of this matter to the Minister of National Defence under whose jurisdiction it falls. If the right hon. member is referring to the piece of property which is in my mind, my recollection is that there was an agreement with the proper authorities in British Columbia to turn over, which we did, part of the DND land to the city and the province so they could develop it into a park and the remainder would be used for other purposes. I do not know if the right hon. member is now suggesting they have changed their minds and are trying to get something for nothing, but I will ask the minister to look into it.

Mr. Diefenbaker: Mr. Speaker, I am sure the government of British Columbia, or the leader of the opposition who belongs to the Liberal party and is a strong adherent, would not be asking for any change. I know some of the British Columbia members are anxious that something be done in this connection. Will the Prime Minister look into this matter with a view to deciding whether or not the request of the British Columbia legislature will receive attention?

Mr. Trudeau: Of course, Mr. Speaker, it will be considered. I believe there is even correspondence on this subject. I might tell the right hon. member that the attitude of the government in this regard is no different from that taken in other instances. I know of governments in other provinces, indeed, Liberal governments, which at times have sought to get pieces of federal government property free. We always said it was in the interests of the federal taxpayers, about whom the hon. member for Edmonton West is so concerned—

Mr. Speaker: Order, please.

Mr. Trudeau: —that we should get money for them.

Mr. Speaker: Order, please. I wonder whether we are not getting into debate.

Mr. Diefenbaker: I am not engaged in debate. I am asking a question. The Prime Minister has given a rather garrulous answer. I simply ask him, is there any bigotry in a motion of the legislature of British Columbia?

Mr. Speaker: Order, please.

Mr. Trudeau: You are the expert on that.

Mr. Hees: No fuddle-duddles, now. Oh, oh! We heard you.

Mr. Speaker: Order, please.

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CANADA LABOUR CODE

INQUIRY AS TO AMENDMENT

Mr. Frank Howard (Skeena): Mr. Speaker, I wish to direct a question to the Minister of Labour. I preface it by saying I wish he had been given control over the Unemployment Insurance Commission. He undoubtedly could have straightened out that mess. Can the minister indicate to the House if and when the Canada Labour Code amendments relating to collective bargaining procedures, which died on the order paper at the end of the last session, will be introduced in the House? If they are to be introduced, will they be in the same form or are there to be amendments to the bill of last session?

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, I assure the hon. member that the Canada Labour Code bill will be back in the House, I hope, before too many weeks have passed. The hon. member will have to wait to see to what extent it is changed.

* * *

[*Translation*]

FISHERIES

POSSIBILITY OF HIGHER MERCURY CONTENT BEING ALLOWED IN CERTAIN SPECIES

Mr. René Matte (Champlain): Mr. Speaker, may I ask the Minister of the Environment a question?

Has the minister ordered appropriate studies to be carried out with a view to increasing over 0.5 the allowed mercury concentration for some species of fish?

[*English*]

Hon. Jack Davis (Minister of the Environment): Yes, Mr. Speaker. Studies have been conducted along these lines and, working closely with the health and welfare people, we hope some revisions will be possible in the future.

* * *

TRANSPORT

OMISSION OF LACHINE CANAL IN TAKEOVER BY DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Mr. Raymond Rock (Lachine): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development arising out of the announcement he made yesterday. Why was the Lachine canal not included in the takeover of historic canals and given national park status?

Mr. Speaker: Order, please. The hon. member for Lisgar.

* * *

GRAIN

PLANS TO ALLEVIATE TRANSPORTATION AND HANDLING PROBLEMS ON WEST COAST

Mr. Jack Murta (Lisgar): I wish to direct a question to the minister responsible for the Wheat Board. What plans does the federal government have to alleviate the crisis that has been building up in the grain handling and transportation systems on the west coast other than taking what appears to be the backward-looking approach of reducing present sales efforts in export markets?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, first of all I should like to assure the hon. member that our objective in sales continues to be the objective of setting new records each year and to build our system to the maximum. We have been calling for the co-operation of all parties,—the railways, the elevator companies and the men who operate them—to achieve new ways to make the existing system work better. In fact, some of my recent meetings have been directed toward securing that co-operation and it has been forthcoming. I see reason to be optimistic about being able to go after higher and higher sales levels.

Mr. Murta: I come back to my original question because of the seriousness of the problem that has developed in Vancouver. What is the government going to do about alleviating the problem in the immediate future with regard to the backlog of boats that has developed in the port of Vancouver?

Mr. Lang: Mr. Speaker, as a result of the discussions and the co-operation to which I referred there is a new and higher target for unloading of cars at Vancouver. There now appears to be some willingness on the part of the terminals to operate on a seven-day week basis, all of which will help the situation with regard to the ships which are waiting and which are coming. The Wheat Board has sold to the absolute limit of the capacity of that port. At the same time, we are looking into the question of additional facilities or different techniques that may be required to increase the throughput out of Vancouver in the future.

Mr. Speaker: Order, please. A number of members are seeking the opportunity to ask supplementaries on this subject. With the co-operation of hon. members, we should try to limit the number of supplementaries. For the moment the hon. member for Fraser Valley West will be recognized.

Inquiries of the Ministry

● (1450)

TRANSPORTATION—REPORT ON RAILWAY SAFETY

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, my question relates to the transportation of grain and I should like to direct it to the Minister of Transport. In view of the generally hazardous conditions in the Fraser Canyon and the many hearings conducted on the subject of railway safety by the Railway Transport Committee, can the minister give us any indication when the report of that committee will be made public?

Hon. Donald C. Jamieson (Minister of Transport): I cannot do so at the moment, but I will make inquiries and let the hon. member know.

SUGGESTED DRYING AT INLAND TERMINALS TO EXPEDITE LOADING OF SHIPS

Mr. S. J. Korchinski (Mackenzie): I should like to ask the minister how long it will be before we will catch up on the transportation of grain to meet the commitments we have already made and, further, whether consideration is being given to permitting farmers to make deliveries to existing inland terminals so the grain can be dried and made ready to be loaded on ships immediately?

Hon. Otto E. Lang (Minister of Justice): The exact date on which there will be no ships waiting in Vancouver is a matter of complete conjecture. It should be noted that the waiting of ships in harbours in other ports of the world is an ordinary and accepted thing. It seems to me it is only in the particular case of Vancouver, and of grain loading, that special attention is directed to it although, naturally, we regret that there should be any delays. The Wheat Board is examining the question of making more use of inland terminals and the related question of whether grain should be sent to those terminals by truck rather than by rail. At the present time the board is looking at all aspects of this question to see whether the throughput out of Vancouver can be increased.

Mr. Frank Howard (Skeena): I should like to ask the Minister of Justice why he concentrates all his concern on private elevator companies and on the port of Vancouver when he has available a perfectly good federally-owned grain elevator in Prince Rupert which is not being used to capacity?

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FISHERIES

MEASURES TO CONSERVE HERRING RESOURCES IN PLACENTIA BAY

Mr. Walter C. Carter (St. John's West): Mr. Speaker, I should like to direct a question to the Minister of Fisheries. It concerns the problem in Placentia Bay caused by herring seining fleets operating there. Does the minister have any plans to enforce necessary conservation measures to protect the herring resources of the bay and the rights of the people in the industry?

[Mr. Speaker.]

Hon. Jack Davis (Minister of Fisheries): The answer is yes, Mr. Speaker, plans similar to those announced last year in respect of Fortune Bay. We have recently set up a herring management committee with representatives from the fishing industry in the Atlantic provinces. We think we can refer this question to that committee for immediate action.

* * *

POWER

PROPOSED JAMES BAY HYDROELECTRIC DEVELOPMENT—FEDERAL INVESTIGATION TO DETERMINE WHETHER PROJECT SHOULD PROCEED IN LIGHT OF ENVIRONMENTAL HAZARDS

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the Minister of the Environment. In light of the federal-provincial study on the environmental impact of the James Bay project and the fact that this study made no attempt to answer the question whether or not the project should proceed but concerned itself only with the methods which might be used to make it proceed, would the minister tell us whether the government intends to make a study of its own to decide whether or not this project should proceed in the face of all the environmental hazards involved?

Hon. Jack Davis (Minister of the Environment): The study to which the hon. member refers is one carried out jointly by the province of Quebec and by the federal government. We lent a number of experts in various fields—wildlife, fisheries, oceanography and so on. The joint task force produced some 50 reports, all of which are published and available to the public. A summary has also been prepared. However, further investigations will continue as the planning for the whole James Bay project proceeds.

Mr. Nesbitt: Perhaps the minister did not hear my question. Does the government intend to make any investigation designed to determine whether or not this project should proceed?

Mr. Davis: To put it simply, the project, as we have assessed it environmentally is in provincial jurisdiction. We are making federal expertise available in order to help the province assess the environmental aspects of the plan as they evolve. Were there some facets of the development which involved other governments, the question posed by the hon. member might perhaps be answered in another manner, but as far as my department is concerned, the effects of this project are provincial, not federal.

Mr. Nesbitt: A final supplementary, addressed to the Minister of Transport.

Mr. Speaker: Perhaps the hon. member might ask a short supplementary and the minister might reply briefly because we shall soon be running short of time.

PROPOSED JAMES BAY HYDROELECTRIC DEVELOPMENT—APPLICATION OF NAVIGABLE WATERS PROTECTION ACT

Mr. W. B. Nesbitt (Oxford): Is the Minister of Transport making a careful study of the James Bay project in light of the provisions of the Navigable Waters Protection Act, since this aspect of the matter clearly comes under federal jurisdiction?

Hon. Donald C. Jamieson (Minister of Transport): In a general way I think I can answer yes. But, basically, the act comes into play only when there is an application. I would have to inquire whether there has been such an application, but to my knowledge there has not.

PROPOSED JAMES BAY HYDROELECTRIC DEVELOPMENT—PROTECTION OF RIGHTS OF INDIANS

Mr. Robert Simpson (Churchill): A supplementary to the Minister of Indian Affairs and Northern Development. Bearing in mind the statement the Minister of the Environment made to the effect that various government departments were looking into the ramifications of the James Bay project and in view of the fact that the minister did not mention the Department of Indian Affairs and Northern Development, can the hon. gentleman tell us whether his department is bearing in mind the need to preserve the rights of the Indians living in this area and assure their welfare?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Yes, Mr. Speaker, we are following closely the negotiations that have been taking place between the Indians of Quebec and the provincial government. We are in constant consultation with the Quebec Indians Association and we shall intervene in due course.

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CANADIAN CONSTITUTION

RE-ESTABLISHMENT OF JOINT COMMITTEE

Mr. Roch La Salle (Joliette): Mr. Speaker, I have a question for the Prime Minister.

Considering the great interest shown by the Canadian people for the activities of the Joint Committee on the Constitution and considering that, for several reasons, this committee was unable to submit its final report to the House during the last session, would the Prime Minister be willing to reconstitute this committee so that it may present its recommendations during the current session?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I believe that the leader of the House has indicated his intention to try to get the opposition parties to agree to the reconstitution of this committee so that it may present its report.

Inquiries of the Ministry

[*English*]

TAXATION

REASONS FOR REMISSION OF SALES TAX TO GREAT CANADIAN OIL SANDS LIMITED

Mr. David Lewis (York South): Mr. Speaker, I wish to address a question to the President of the Treasury Board arising out of an Order in Council passed under the terms of section 17 of the Financial Administration Act in accordance with which $6 million was remitted to Great Canadian Oil Sands Limited as a remission of part of the sales tax paid by that company between 1963 and 1967 when the law required that it should be paid. I should like to ask the President of the Treasury Board, who was one of the two ministers who requested this Order in Council, whether he can tell us the reason today for this generosity toward this corporation or whether he will undertake to make a statement explaining these reasons on an early occasion?

Hon. C. M. Drury (President of the Treasury Board): I cannot recall the details but I will undertake to ascertain what they are and respond in the House.

Mr. Paul Yewchuk (Athabasca): Would the President of the Treasury Board be willing to table the report upon the basis of which this decision to remit sales tax to Great Canadian Oil Sands Limited was made? Would he be willing to table that report in the House?

Mr. Drury: I do not think there was a report in a form which would enable it to be tabled. I will find out.

* * *

ADMINISTRATION OF JUSTICE

RELEASE OF YVES GEOFFROY FROM ST. VINCENT DE PAUL PENITENTIARY—ISSUANCE OF PASSPORTS

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask the Secretary of State for External Affairs a question which was referred to him yesterday by the Solicitor General. It refers to the subject of passports. Can the minister tell us, first, whether Geoffroy possessed a passport and, second, whether it was issued prior to his release from the penitentiary or later?

Hon. Mitchell Sharp (Secretary of State for External Affairs): I did take notice of the question asked by the hon. gentleman yesterday. Our records show that no passport has been issued to Geoffroy in his own name. A search of the files in the passport office conducted by the RCMP subsequent to Geoffroy's escape from custody—

An hon. Member: Release.

Mr. Sharp: —indicated that a passport was acquired for him earlier under an assumed name by the submission of forged documents. The hon. gentleman asked about the guarantor. The signature of the guarantor appears to have been part of the forgery. The matter is now in the hands of the police.

Inquiries of the Ministry

• (1500)

Mr. Woolliams: Do I understand from the minister's answer that this forged application, which means that the passport was therefore illegal when it was issued, was made during the short period the accused was in the penitentiary serving a life sentence?

Mr. Sharp: Yes, Mr. Speaker. The passport that I referred to, which was not issued, of course, in Geoffroy's name and was not applied for by him, was issued on September 28, 1971.

Mr. Robert McCleave (Halifax-East Hants): A supplementary question, Mr. Speaker. In the investigation of these strange doings would the Secretary of State for External Affairs also cause to be inquired into whether any passport application was made by the lady who eventually because Mrs. Geoffroy, either before or after that event?

Mr. Sharp: Yes, Mr. Speaker, a passport was issued to the lady some time earlier. There was, of course, no reason why she should not have one; we had no reason to suspect any of the events that occurred subsequently.

Mr. McCleave: A further supplementary question. Was the passport issued in her maiden name or, as sometimes happens, issued in the married name, to be delivered after the ceremony itself?

Mr. Sharp: Since the application was made some time earlier, Mr. Speaker, it was made in her maiden name.

[*Translation*]

Mr. André Fortin (Lotbinière): I would like to ask the Minister of External Affairs a supplementary question, Mr. Speaker.

Considering the past record and the legal aspects in the Geoffroy case as the trial took place, I would like to know whether the Department of External Affairs got in touch with the Solicitor General's Department before issuing the passport or whether it did it on its own without consideration for the consultations and the work performed by the Solicitor General's office?

[*English*]

Mr. Sharp: I thought I had made it clear, Mr. Speaker, that no passport has been issued in Geoffroy's name. A passport which we believe Geoffroy is now using was issued in an assumed name, under forged documents.

Mr. Lincoln Alexander (Hamilton West): A supplementary question, Mr. Speaker. Is the minister in a position to advise the House if in fact the same guarantors were used with respect to the application for a passport, and whether when the lady's passport was issued a passport for Geoffroy was issued at or around the same time? Also, in view of the fact that we are all awaiting some information as to Geoffroy's whereabouts, is the government intending to post a reward in order to obtain information as to his whereabouts?

[Mr. Sharp.]

Mr. Sharp: The passport for Carmen Andrée Parent was issued to her on June 29, 1971, many months in advance of the application made for the passport that we have reason to believe Geoffroy is now using.

Mr. Alexander: A supplementary question.

Mr. Speaker: The hon. member for Humber-St. George's-St. Barbe.

Mr. Alexander: A point of order, Mr. Speaker.

Mr. Speaker: The hon. member for Hamilton West is rising on a point of order.

Mr. Alexander: Mr. Speaker, perhaps I put too many questions for the minister to digest, but I did want to know whether in fact the minister has any indication as to who the guarantor was for her passport application. Further, is the government intending to post a reward in order to bring about Mr. Geoffroy's apprehension?

Mr. Sharp: Mr. Speaker, one of the reasons I hesitate to give more particulars about names, and so on, is one that I am sure the hon. member will understand, namely, that a worldwide search is now going on and to reveal these kinds of details we feel would hamper the operations of the police and of Interpol.

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MANPOWER

LOCAL INITIATIVES PROGRAM—POSSIBILITY OF EXTENSION AND ADDITIONAL FUNDS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I have a question for the Acting Minister of Manpower and Immigration. In view of the initiative shown by many communities across Canada under the Local Initiatives Program and their disappointment that many hundreds of projects will now have to be turned down because of lack of funds, would the acting minister indicate to the House whether consideration is being given to extending the program and increasing the funds available so as to maintain the morale of these people and permit them to submit projects?

Hon. Martin P. O'Connell (Acting Minister of Manpower and Immigration): Mr. Speaker, no consideration is being given to an extension of the dates.

Mr. Ambrose Hubert Peddle (Grand Falls-White Bay-Labrador): I have a supplementary question, Mr. Speaker, for the Minister of Transport. In view of the fact that the minister announced a number of local initiative projects for Newfoundland several days ago, before other Newfoundland members were aware or were informed of them, would the minister now continue this procedure and use his ministerial position to obtain advance information on Newfoundland local initiative projects that are to be rejected and make public announcements accordingly?

Mr. Speaker: The hon. member for Sarnia-Lambton.

Mr. Hees: Mr. Speaker, on a point of order, I did rise to ask a supplementary.

Mr. Speaker: The hon. member is not the only one to rise on a supplementary, but there are about five minutes left till the end of the question period and there are many members from parties on both sides of the House waiting for a chance to ask questions. The Chair recognizes the hon. member for Sarnia-Lambton.

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POLLUTION

GREAT LAKES—UNITED STATES VETO OF SEWAGE DISPOSAL PROJECTS—CONTINUATION OF FEDERAL AND ONTARIO CLEAN-UP PROGRAM

Mr. Jack Cullen (Sarnia-Lambton): Mr. Speaker I have a question for the Minister of the Environment. In view of the White House veto of the sewage disposal program, which is going to be a severe setback to the clean-up of the Great Lakes, can we be assured that the federal government and the province of Ontario will continue with their program on the Canadian side?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, the answer to that question is yes.

Mr. Cullen: Is it the intention of the federal government to make further representations to the United States to see whether we can change their decision?

Mr. Davis: Mr. Speaker, the decision referred to in the press today dealt with the funding of local projects. It did not deal with the much larger program that is in an advanced stage of discussion with the United States for the clean-up of the Great Lakes.

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REGIONAL ECONOMIC EXPANSION

DECISION ON REQUEST FOR GRANT BY CANADIAN CO-OPERATIVE IMPLEMENTS LIMITED

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, may I direct a question to the Minister of Regional Economic Expansion. Has he received a telegram from the board of directors of Canadian Co-operative Implements Limited requesting a review of their application for a DREE grant for the construction of a new farm implements factory in St. Boniface, and has a favourable reply been given that the application will be approved in view of the fact—

Mr. Speaker: Order, please. I suggest to the hon. member that we could spend quite a bit of time during this period on questions about individual applications under the program to which the hon. member refers. If he thinks that the matter is urgent perhaps it should be considered at the time of adjournment. In any event he has now brought the matter to the attention of the minister.

Mr. Benjamin: I rise on a point of order, Mr. Speaker.

Mr. Speaker: The hon. member is rising on a point of order.

Mr. Benjamin: I am sorry to try Your Honour's patience, but this matter is urgent. The annual meeting of this organization is being held today and the matter involves upward of $3 million. The entire organization is waiting for a reply from the minister.

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, we are waiting for a piece of information. The corporation knows about this, and as soon as we receive the information we will make a decision.

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TRADE

POSSIBLE INTRODUCTION OF DOMESTIC INTERNATIONAL SALES CORPORATIONS—REQUEST FOR STATEMENT ON PLANS TO OFFSET EFFECTS OF UNITED STATES DISC PROGRAM

Mr. S. Perry Ryan (Spadina): Mr. Speaker, my question is for the right hon. Prime Minister. Does the government now propose to introduce domestic international sales corporations, or the rough equivalent of such corporations, in Canada?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, there is no plan along those lines at the present time.

Mr. Ryan: Will the government make a statement in respect of what it intends to do to offset the very harmful effects on Canadian industry of the DISC program in the United States? If so, when may we expect such a statement?

Mr. Trudeau: Mr. Speaker, I cannot add anything to what the Minister of Industry, Trade and Commerce said on a previous occasion, namely, that we were considering the effect of the program and deciding whether there would have to be any counter-action by the Canadian government.

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TRANSPORT AND COMMUNICATIONS

RE-ESTABLISHMENT OF COMMITTEE TO HEAR BRIEFS ON PROBLEMS IN SOUTHWESTERN ONTARIO

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, I should like to direct my question to the Minister of Transport. The minister is aware that the proposed journey of the Standing Committee on Transport and Communications to southwestern Ontario to study certain problems there was postponed as a result of difficulties encountered by Air Canada. Since many bodies spent a great deal of time and effort preparing briefs for the benefit of the committee, will that committee be reconstituted at an early date so there will be an opportunity for the presentation of these briefs?

● (1510)

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I assume, this being a new session, that the Standing Committee on Transport and Communications will be reconstituted. Of course, it is the master of its own affairs in terms of bringing forward such a recommendation. If one were to be brought forward, I would consider it sympathetically.

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[*Translation*]

IMMIGRATION ACT

INQUIRY AS TO AMENDMENT

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, in view of the fact that the Minister of Manpower and Immigration will be away from the House for several days, I should like to put a question to the right hon. Prime Minister. With regard to the list of bills he tabled on the first day of the session, can the Prime Minister tell us whether or not the government has given up any intention of amending the Immigration Act and the Immigration Appeal Board Act, in view of the situation that now exists and the fact that the former minister promised that such amending bills would be passed early in the new session?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, when changes were made, I asked the new minister to study the matter and report either to me or to the cabinet. Unfortunately, he has not yet had a chance to make that report.

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[*English*]

AIRPORTS

TORONTO—OPPORTUNITY FOR REPRESENTATIONS BY THOSE AFFECTED FOLLOWING ANNOUNCEMENT OF NEW SITE

Mr. Norman A. Cafik (Ontario): Mr. Speaker, I have a question for the Minister of Transport. In view of the speculation that the new international airport for the Toronto region may be located in the Pickering area of Ontario riding, would the minister give his assurance that after any announcement individuals and groups affected will have a reasonable and ample opportunity to express their views and, hopefully, have them taken into account with regard to the advisability of any proposed location?

Mr. Alexander: The minister gave that assurance one year ago.

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I gave that assurance quite some time ago. I am quite prepared to reaffirm it and say that, wherever the location happens to be, ample opportunity will be provided for public participation.

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NATIONAL REVENUE

FREEZING OF ESTATES OF PERSONS WHO HAVE DIED SINCE FIRST OF YEAR

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question is for the Minister of National Revenue. Can he advise whether his department is freezing estates of those Canadians who have died since the start of this year in a number of provinces and, if so, on what statutory authority?

Hon. Herb Gray (Minister of National Revenue): Mr. Speaker, I will take that question as notice.

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EXTERNAL AFFAIRS

ASSISTANCE TO BANGLA DESH

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to ask the Secretary of State for External Affairs a question following the one to which he replied on Monday. Can he indicate what Canadian aid is now going to Bangla Desh and, particularly, can he advise if the lost or diverted shiploads of wheat have been directed to a port in that country?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, $22 million has been allocated for the relief of those who were refugees in India. Seven million dollars in wheat has also been allocated to Bangla Desh and $500,000 has been made available in cash to the United Nations' relief operation there. Of that total, $11.5 million has been channelled through international organizations and Canadian voluntary agencies. Over one half of the $7 million in wheat has been delivered. The remainder has been shipped and will be delivered shortly. The entire $500,000 given to the United Nations organization has been disbursed. Also, part of that $7 million of wheat is the subject of legal action by the government of Canada for recovery.

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INDIANS AFFAIRS

ATTENDANCE OF DEPARTMENTAL OBSERVER AT INQUEST INTO DEATH OF INDIAN WOMAN

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development. Is an observer from his department to attend the inquest into the death of an Indian woman at Sandy Lake, northern Ontario? I understand the inquest is to take place tomorrow. I ask this question in view of the wide implications involved in this case as to the adequacy or inadequacy of health services throughout northern Ontario.

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am taking note of the suggestion of the hon. member. I shall inquire and ask an official of my department to attend the coroner's inquest as an observer.

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TRANSPORT

PROMOTION OF DEVELOPMENT AND PRODUCTION OF DHC-7 STOL AIRCRAFT

Mr. P. V. Noble (Grey-Simcoe): Mr. Speaker, may I direct a question to the Minister of Transport. What

progress is the government making toward promoting the development and production of the DHC-7 STOL aircraft?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker—

Mr. Speaker: Order, please. The minister should attempt to reply briefly because we have almost run out of time.

Mr. Jamieson: Mr. Speaker, I was about to say that it would be quite impossible to give a detailed answer. However, I can say that we are in constant touch with the de Havilland Company on this subject.

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NATURAL RESOURCES

OFFSHORE MINERAL RIGHTS—POSSIBLE AMENDMENT OF GOVERNMENT PROPOSAL TO PROVINCES

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is for the Prime Minister. Can he indicate to the House and to the people of the Atlantic provinces whether the government has now moved away from the 50-50 sharing formula respecting offshore mineral rights? Also, has he any comment on Premier Regan's announcement that the federal government appears to be moving toward a much more relaxed position—

Mr. Baldwin: "Realistic."

Mr. Forrestall: —a much more realistic position which would assure a good share of that revenue for our Atlantic provinces?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, we have all been quite relaxed about it ever since the Supreme Court decided in that case which was not dissimilar to the one to which the hon. member has referred that this was under federal authority and jurisdiction. As the federal government, we felt that we had to speak for the rights of the people of all Canada. In these negotiations with the provinces we have always indicated that we would be flexible and if any reasonable solution could be found we would be happy to agree to it. The provinces themselves, the hon. member might not know, had several attempts at agreeing among themselves as to what might be done, but they never came up with any proposal to the federal government. I understand that the new Minister of Energy, Mines and Resources plans to visit some of the premiers and discuss these matters with them in the near future.

Mr. Forrestall: Mr. Speaker—

Mr. Speaker: Order, please. The hon. member might ask his supplementary briefly, after which the Chair will recognize the hon. member for Waterloo for one last question.

Mr. Forrestall: Mr. Speaker, would the right hon. gentleman indicate whether he has instructed, or given authority to the new Minister of Energy, Mines and Resources to indicate, in his discussions, flexibility with respect to the 50-50 sharing arrangement? Is he allowed to negotiate a better sharing arrangement for the provinces?

Mr. Trudeau: A what?

Mr. Forrestall: Has the Prime Minister given the minister authority to offer the provinces a better deal?

Mr. Trudeau: Mr. Speaker, I just answered generally that we had been flexible all along on some kind of arrangement. We put our proposal forward in the hope that we would get agreement on it. One of my intentions in appointing this particular minister is that he is well known for his flexibility—

Some hon. Members: Oh, oh!

Mr. Trudeau: —and therefore he would be accommodating.

Some hon. Members: Oh, oh!

An hon. Member: God help us.

* * *

ENERGY

POSSIBLE MACKENZIE VALLEY PIPELINES—CONSIDERATION OF PUBLIC OWNERSHIP IN STUDY

Mr. Max Saltsman (Waterloo): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources and refers to the study that his department is conducting which deals with the problem of constructing pipelines along the Mackenzie River valley and a second study involving a major policy review of resources and energy. I ask the minister whether this study will include methods of financing and forms of ownership and, if so, will the study give consideration to public ownership of pipelines in Canada?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the study in question will be a very extensive one regarding the development both of energy and mineral resources. I think it very likely that incident to that study, the two points the hon. member has mentioned will come up. Very obviously, with the very extensive jurisdiction that the federal government has established and our planned pattern of pipeline and resource development, and our current participation through companies like Panarctic Oils, the government's presence in that area is going to be a very pervasive one.

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BUSINESS OF THE HOUSE

DEFERMENT OF VOTES ON AMENDMENTS TO ADDRESS IN REPLY TO SPEECH FROM THE THRONE—ITEMS FOLLOWING END OF DEBATE

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I rise on a point of order dealing with the business of the

House. There will be two votes tonight on the issue before the House and, provided the government survives them, other amendments may be moved tomorrow that would normally be voted on on Friday. The leader of the House may feel that hon. members might like the weekend in which to reflect and contemplate on their positions with regard to those votes. There has been some suggestion that any vote which normally would be taken under the Standing Orders on Friday might well be taken at a quarter to ten Monday evening.

Also, would the government House leader indicate what business the government intends to call after the Speech from the Throne debate has been concluded on Tuesday of next week?

• (1520)

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I am glad my hon. friend has realized there is no doubt about survival and is asking me to indicate government business following the vote. I would hope that on the first day we would call the bill in respect of fiscal payments, followed by the bill to amend the British North America Act with regard to readjustment of representation, followed by the CNR bill and the bill to amend the Explosives Act, which will be carried by the Minister of Energy, Mines and Resources.

Mr. Baldwin: He is explosive enough.

Mr. MacEachen: With regard to the holding of any votes on amendments which might be moved tomorrow or later, it would be agreeable to the government, if the House agrees, that all questions be put at 9.30 p.m. on Monday next, that the votes be held after the regular time for the ringing of the bells and that votes normally to be held on Friday would be deferred until that time. If that is agreeable, it could be made a House order.

Mr. Knowles (Winnipeg North Centre): This is agreeable to us, and perhaps it could be made a House order right now so it will be clear.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed, from Tuesday, February 22, consideration of the motion of Mr. Ross Whicher for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Stanfield (p. 34), and the amendment to the amendment of Mr. Caouette (p. 117).

[Mr. Baldwin.]

[*Translation*]

Mr. Henry Latulippe (Compton): Mr. Speaker, yesterday when the House adjourned I was asking the government to implement the policies embodied in the Speech from the Throne or, if you like, to implement the policy statements contained in the speech.

It is not our statements that count, but our actions present and future. They can alter the economy or correct what is wrong. That is what we shall do. We will eliminate the abuses we are aware of in our capitalist system.

If our two ethnic groups were antagonists, the future of Canada would be dreary, but if we can find grounds for agreement, the chances for peace and progress will be improved since, whatever our ethnic origins, we are faced with the same needs and pursue the same objectives.

Every citizen wants his share of the benefits of progress and of the economy as a whole.

To this end, let us set out together on the march of the coming sixteen months. We may take different roads, but they all lead to the same goal. Canadians have been waiting a long time and they witness what we are doing.

Mr. Speaker, what type of economy will we be passing on to our descendants? Will we have sufficient will-power to build up a well balanced economy? Will we have the courage to place all our institutions at the service of members of society? That is what the Speech from the Throne advocates. Will we have the necessary drive to organize the economy so as to eliminate disparities once and for all, to do away with a part of the federal and provincial debts which are strangling our citizens? Mr. Speaker, will we have the courage to call for adoption of regulations required to achieve the opposite of taxes and levies, which is a guaranteed income for all?

• (1530)

Will we have the courage to enforce the rules that are required if all that is physically possible is to become, once and for all, financially so?

Today, we are far from those realities.

Therefore, Mr. Speaker, the excitement and the promise of modern technological achievements become hollow and mocking to the citizens who find in society little understanding of their hopes and little provision for their needs.

We must remove the impression of isolation which so often surrounds men and women, depriving them of their sense of responsibility, of accomplishment, of fulfilment, and removing from them their identity as individuals. We must, Mr. Speaker, remove the barriers that create isolation, permit each Canadian to detect his own responsibilities.

We in this place have a special responsibility to help bring these goals and those hopes within reach, to husband our resources and share them justly among this generation and those to follow so that our society will believe in the dignity of every single individual.

Those are the objectives we will be asked to study during this new session. Economic security is one of the most effective forces with which to counter social isola-

tion. Job opportunities must be found and income uncertainties overcome if all Canadians are to share in the richness of this land.

Mr. Speaker, I have just repeated the most beautiful remarks contained in the speech made at the opening of the current session by the Governor General who asked the Divine Providence to guide us in our deliberations.

To recognize the dignity of every human being, to ensure that all his vital needs are met, conquer the social isolation of the individual, to overcome economic uncertainties, to multiply jobs, that is what the Speech from the Throne advocates and that is what I ask the government to achieve.

Mr. Speaker, for the members of the House, the program is already laid out. There remains only to devise a realistic formula allowing us to reach those objectives. Will that formula be applied in such a way that each Canadian citizen will have his rights and prerogatives spared?

It is already a step forward, if not a total achievement, to wish that our huge resources and our plentiful reserves be managed wisely and equitably shared and allocated. Now, we must put through the economic and financial technique necessary to achieve these quite definite objectives in the best interests of every Canadian citizen.

In order to achieve the goal of full participation by all members of society, all factors leading to isolation must be removed.

We cannot invite respect for our laws and support for our institutions from persons to whom they are irrelevant or ineffective. Government activities must reflect the needs of all Canadians, not only the favoured few.

It is the view of the government that the most important single factor in the attainment of individual dignity and active social involvement is the assurance of a secure income. The new bill to be introduced before the House in that respect means a considerable step towards progress. The "total income security program" is the most important issue mentioned in the Speech from the Throne. These words "total income security" for each Canadian are a summary of all the objectives of a civilized and developed country.

But it is not enough to have a high level of production thanks to our natural resources and our up-to-date techniques because this production must be used up. And how can we have consumption of this increasing production with decreasing or inadequate incomes? This is what is happening now. Income must be tailored to the country's ever increasing production and its people's needs.

As for the Speech from the Throne, many people and mainly journalists are trying to find the government's intentions about the date of the election which must take place this year or next year. While respecting this useless initiative from our public scribblers who do not know how to waste their time and their readers' time, I would like to state my opinion on the necessity of a general election in this difficult period.

First, this government with a strong majority has been elected for five years and can stay in power until July 1973 without being accused of power abuse. Second, with its overwhelming majority the government would have nothing to gain by risking a general election before the legal date.

In my opinion, it should take all the time required to implement its 1968 program and establish a united Canada and a just society. All Canadians are expecting it and this is alluded to a number of times in the Speech from the Throne.

Third, the government with its overwhelming majority should take advantage of the next 16 months to use the experience gained over the first years of its mandate for completing its program of a just society in a united Canada.

That is my point of view. If reporters feverishly hope for an early election, we members can feverishly hope for a well-fulfilled mandate. Who could blame us? There is no serious reason for a majority government elected for a five-year term to resign before the end of their mandate. Let us do away with the excitement of an early election and make use of our energy, our talents, our goodwill to benefit as much as we can from the experience we have had since 1968, with a trained group as regards parliamentary techniques.

Mr. Speaker, the objectives set in the Speech from the Throne, although vague and imprecise, enable us to express all possible hopes as to better distribution of wealth or of the national production, better distribution of income, having regard to the needs and dignity of every citizen, every family, taking into account the tremendous national production of the current year. The idea is there. The wish is clearly expressed. The time has come now for legislative and administrative action that will enable us to provide for better distribution of personal family income, due to the social commitment of all Canadian producers, according to their talents and their capital.

Fourth, Mr. Speaker, not worrying anymore about an early general election, the government with its great majority will be able to make the most of the 16 coming months of their mandate so as to bring together economically, socially, financially and even politically, the two extremes of this disunited and unbalanced Canada—the very poor and the very rich.

• (1540)

All this is also superbly expressed in the Speech from the Throne, if we take the trouble of analyzing it with an open and practical mind. We find two excerpts which let us foresee a promising future. If we eagerly set ourselves to task, our social, family and national spirit will be improved. Here are those two excerpts:

It is the view of the Government that the most important single factor in the attainment of individual dignity and active social involvement is the assurance of a secure income. Consid-

erable progress towards the goal of a total income security programme for all Canadians is achieved in the new Family Income Security Plan bill.

The Acting Speaker (Mr. Laniel): Order. I regret to interrupt the hon. member, but the time allotted to him has now expired.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, the Speech from the Throne—when one takes the pleasure of analyzing it, as the hon. member for Compton (Mr. Latulippe) has just put it—contains several subjects which fall more or less directly, more or less exclusively, under my ministerial jurisdiction. I say "more or less" because, in a modern government, very seldom does a subject fall completely within the jurisdiction of one minister or one department. Usually, several departments are concerned with the same subject.

These subjects are many; here are a few: the required co-operation between the public and private sectors, between government and industry in particular; the application of science and technology to industrial development; the importance of progress for the touristic sector, the promotion and diversification of exports, on which I am pleased to speak today in answer to the speech of my hon. friend the hon. member for Prince Edward-Hastings (Mr. Hees); the need to entertain good relations with foreign countries, the United States and the European Community in particular; and the need for an industrial strategy "prepared for the peculiar character of the Canadian economy." Mr. Speaker, these are but a few of the subjects which are contained in the Speech from the Throne and which interest me particularly, professionally, if I may say so.

Mr. Speaker, this is obviously a program for a whole session, considering the scope of the subjects. Within the next nine or ten months, I shall therefore be pleased to announce certain measures under each of these headings and even under others which are not there, such as the training of business managers. We intend to contribute somehow to the training of "managers" to put it in the style of Burnham.

In most cases, and I am pointing it out right now, such measures will be taken within the framework of existing legislation; there will not be new laws. I do believe that this does not reduce the significance of the bills we are going to announce. I even think that, in general, all the governments in the world have a tendency to exaggerate the significance of legislation with regard to decisions taken in accordance with existing laws.

Today, I want to refer to measures dealing in particular with the promotion and diversification of exports, in my reply to the hon. member for Prince Edward-Hastings.

In a few months from now—I do not want to be too accurate about it because it is too risky—I shall have the nerve to bring in a comprehensive industrial policy, an industrial strategy which has been shaping up in my department during the last few months. I say the nerve, because it will be needed, so enormous is the undertaking. Mouthfuls of platitudes are being uttered on the subject of industrial strategy, and have been for so long!

The speech made by the leader of the official opposition (Mr. Stanfield) is a fairly obvious sample. First, he told us he would explain for our benefit what an industrial strategy, an economic strategy as presented by the Progressive Conservatives would be like. I must congratulate him on having dared to do this, but it is not enough to say that one will speak on a subject; what is actually being said on it is also important.

Then, if we consider—and I have done so with care—the account given by the leader of the opposition of this economical or industrial strategy, what is there to be found? He stated, and justly so, that it is important to establish priorities, to co-ordinate the action of the different departments—I agree with him on this—to strengthen the regions where expansion is slow, without making the rich ones poorer. Then he goes on to list what he calls the essential objectives: job creation, levelling of regional disparities, constant economic development, export promotion, fish conservation, fight against inflation, protection for pensioners, protection of family farms, etc.

Mr. Speaker, that is all very interesting, even very useful, but those are mere pious platitudes. And, I know whereof I speak, because I also have spoken such platitudes. You can see how honest I can be, but I never had the idea of calling that an industrial strategy.

But it is not enough to say: Here are the objectives. It is not enough to say: Here is what we should do. The problem becomes interesting when such objectives are compared, when some effort is made to relate them to one another. Then exchanges are required, compromises, and bargaining. It is not possible to have all of that at the same time.

If I say, for instance, that we should work harder for fish conservation, it is quite possible that operators will be more interested in the sale and export of fish. So, you have a conflict between conservationists and fishmongers. It is the same thing in many cases and one must make choices.

The hon. leader of the Progressive Conservative party told us that we should also have good relations with the private sector and the provinces. Again, all this is pious statements and commonplaces. Everybody agrees. But there are times when there is systematic opposition between the interests of provinces and those of the federal government, their interests being different because they serve very different groups of people. So, even if you want to be nice and friendly to everyone, it will not be possible because you will have to make choices.

And while I was listening to him, I wondered: Is the leader of the official opposition going to indicate some choice that he has made himself? To my great bewilderment, he said, suggesting incentives for productivity, and I quote:

...au moyen d'un programme de mesures visant à encourager les initiatives des Canadiens dans tous les secteurs du commerce, de l'industrie, de l'agriculture et des autres occupations.

I could not believe it. I checked the English version and found the same idea, unfortunately:

—in all branches of business, industry, farming and other occupations.

This is not a choice, saying: We are going to encourage industrial development, or development "in all branches of business, industry, farming and other occupations".

• (1550)

It is often said that to govern is to choose. Similarly, to establish an industrial policy is to choose. It is quite possible that through one's choice—and this is normal—one might promote the development of one particular sector of trade or industry over another, and one can very easily be led to say, that sector is not efficient, it has no future, not only will we not encourage it to develop but even encourage it not to develop.

This is the kind of thing a valid industrial policy should hold. Mr. Speaker, it is not surprising to see that in the circumstances there are but few people who are prepared to make those choices, and then it is normal for the opposition to say to the government, make those choices and we will be able to criticize them once you have made them.

In the months to come I intend to expose myself, to be audacious and I will start by making a few speeches on that subject, so as to set the debate on the right track.

The first will be on the complexity of the task, on the complexity of developing an industrial policy, an industrial strategy, that is the difficulties of setting up specific goals which can meet the consensus of a majority of the population. It is not an easy thing to do. One can come up with all kinds of philosophical thoughts in favour of maternity without of course making enemies but when it comes down to setting up more specific goals, of course, this becomes more complicated.

I will be discussing in that speech the need to recognize all the factors involved, whether they be historical, geographical, constitutional, cultural, etc., and the difficulty to co-ordinate tax, monetary, trade, tariff, scientific, educational policies, etc., as well as the lack of a central unit of political and economic power in Canada. People say, let the federal government develop an industrial strategy, just as if the federal government had supreme authority over the provinces and private industry, as if we were in Prussia, in the 19th century, and we asked a general of the Prussian army to indicate his strategy. He would do it because they had only one decision centre. But it is not the same in Canada, in 1972. In other words—

Mr. Barnett: Demagogue or demagogues!

Mr. Pepin: —if my hon. friend of the NDP thinks that we will have a "gosplan", Russian style, he is making a mistake.

It is not what the people expect from their government.

Mr. Barnett: Fewer speeches and more action.

Mr. Pepin: In my second speech, I would like to define the experiments that have already taken place in this area of industrial strategy.

An hon. Member: May I ask a question?

Mr. Pepin: I am sorry, I will answer any number of questions when I am through.

I would like to talk about the experiments that have been tried already in some sectors of Canadian industry. It is common knowledge that my department and others as well have experimented with various industrial strategies in different fields such as electronics, textiles and ship-building. These experiments covered streamlining and specialization.

A study will have to be made of the experiments in order to recognize what problems are likely to occur and what solutions can be worked out.

Mr. Speaker, I am under the impression that many of those who speak of industrial strategy are not aware that such strategy does exist. Imperfect or inadequate it may well be, and this I recognize, but it still cannot be said that there is no strategy now which, to my view, would be suggesting that the history of Canada begins with us, with the speaker's appearance on the stage.

I am conservative enough to hold the same view as Burke did when he said he was suspicious of any allegedly new policy. If a policy is new, he said, that means it has no roots, no foundation in reality. It can be seen I have read my conservative authors well.

A new policy emerged the day before from Jupiter's thigh would seem suspicious to me precisely because it has not been subjected to the test of time and experience.

Finally, in the third speech I hope to make within a few months, I should like to outline, so that others may criticise, what an industrial strategy could be, spelling out objectives, criteria, priorities, identification mechanisms, etc.

That is the first step I should like to carry out. The second, consultation, has already been initiated. It is my intention to consult all those concerned in the world of business, labour, and particularly all those who have expressed or will express in the coming months their views on this industrial strategy.

All those who have made speeches or who intend to do so will be summoned and asked to reconcile their arguments with those of others, all of them intelligent and yet who think in a completely different way from them. That is not a threat on my part. On the contrary, I think that people who made representations, who have carried out analyses on the industrial policy, are courageous and deserve to be applauded. We will put their contribution to test, as it were.

So much for industrial strategy.

A few words now on our relations, on current negotiations with the United States. The time is not ripe to deal extensively with this matter. I only hope that it will come soon, after agreement has been reached with the United States on the elimination of certain irritants.

I only have two comments, Mr. Speaker. The first relates to the manner in which current negotiations are carried out; the second concerns its content. As to the way the negotiations are carried out, I can only mention that there are in our midst doves and hawks,

people who show a policy of no compromise, like the leader of the New Democratic Party (Mr. Lewis), who was saying on television the other day:

Show them that we are self-reliant—

Mr. Speaker, I think this approach is childish. Few countries in the world can be described as "self-reliant" and the Americans themselves are just coming out of an ordeal where they had to call on the co-operation of many countries in order to solve a problem of their own, which was an international problem as well.

I fail to see how Canada can go out and preach on the international scene saying: "The hon. member for York South has asked us to tell you that we are self-reliant." This is mere bragging and I do not think it is the proper attitude to take.

In this respect, one can notice, for example, a difference in tone between the hon. member for Prince Edward-Hastings (Mr. Hees) and his House leader (Mr. Baldwin). I appreciated the way in which he made his remarks the other night on television and I think it should be put on record. When asked to state his opinion on the ongoing negotiations with the United States the House leader said:

[*English*]

Now we're going to be awfully lonely in the trading world if we get too tough with the United States. That doesn't mean that on the good points we should fight, but if we get into a trade war with the United States, you know that it's not going to be their blood, or at least threre is going to be more of our blood on the floor than that of the United States. And I think that there are, many of the people in Congress... itching for a protectionist war, and I think we have to be very careful, possibly make some concessions which under other circumstances we might not. That doesn't mean that we have to give away things.

[*Translation*]

Mr. Speaker, I consider that good philosophy and I do not laugh at the House leader of the Conservative party. As would any intelligent person, he has evaluated the vigorous approach and the diplomatic approach, so to speak, and this is what we are endeavouring to achieve in adopting a reasonable way.

Recently, I was asked several times to make public Canada's offer, to make public the compromise, the conditional agreement that has been reached. I had a little joke about that yesterday when I said that my son Nicholas, and even Justin, the Prime Minister's son, were better negotiators than those who suggested that. When my son wants something from me or from his mother, he does not tell us right away what he will settle for. He manœuvres, he tries to sell and to buy at the same time!

Well, it seems to me that the fact that, in spite of what has leaked on this matter in the United States, the Americans did not make that agreement public, but suggested that the door remains open, is a good omen. I think we should follow their lead. It shows that there is still room for give and take.

Therefore I believe that it would be rather unwise to make public now the terms of that conditional agreement. But it will be made public in due time and, as for me, I will be very pleased about that.

[Mr. Pepin.]

As far as the actual content of the negotiations is concerned, the hon. member for Prince Edward-Hastings did really see, the other day, what the problem is all about namely that our talks with the United States deal with two sets of facts. Firstly, there are the irritants, that is all the minor difficulties and problems in the relations between Canada and the United States. But there is a second aspect which is much more important, much more fundamental, and that is the trade balance between our two countries. In the United States there are some people who would like to seize the opportunity to amend, to reduce, and even to eliminate Canada's surplus in that trade balance.

And this, indeed, is a matter other than the solution of irritants. And if we are not in agreement yet, one reason is in fact that negotiations went on at those two levels concurrently. We should decide what we are talking about. For our part, we are talking about the balanced package of irritants, and this is not the same thing as the trade balance between the two countries.

And if I may criticize the hon. member for Prince Edward-Hastings, it would be for the conclusion he drew the other day while commenting on a remark from the Secretary of State for External Affairs, and I quote:

Yet the United States government has been able to con this government into believing that we have some responsibility to right this imbalance...Canadian industry will have to make sacrifices that will cost jobs in this country.

The least that can be said is that this is not yet true. The hon. member has no right to judge that we have.

Mr. Hees: Nobody has said you are going to give in.

Mr. Pepin: On the contrary.

Mr. Hees: Sharp said it out in Winnipeg.

Mr. Pepin: The hon. member misinterpreted what the minister said. The fact that agreement has not been reached would imply, to anyone willing to look objectively at the situation, that this "conning" job has not taken place.

• (1600)

Mr. Hees: Do you want to bet you will not make a lot of concessions

Mr. Pepin: You are writing history before it takes place. Let us be friendly and say that one ought to suspend judgment on that particular item, because there is no proof yet to conclude.

Mr. Hees: It is obvious what is going to happen.

Mr. Pepin: All right; let us agree to disagree. My last point has to do with export promotion. The hon. member for Prince Edward-Hastings (Mr. Hees)—I am giving him special attention today—is always funny; he is always entertaining even when he is trying to be nasty. The description he gave of my behaviour while on trade missions, of going from luncheons to dinners, is really the height of caricature. I suggest it should be included in a book of humour on Canadian politics. I do not intend to defend myself today. I rest my defence on the

opinions of businessmen and newspapermen who went with me to China, the U.S.S.R., Algeria or Japan. I rest my case on what they said on the subject.

For fear, however, that some future readers of *Hansard* might think the former minister was only reminiscing on his own when he prepared that description of my behaviour, I should like to say here in public that what he said about me was a caricature which does not describe the conduct that he himself followed when he was Minister of Trade and Commerce. He was really working for Canadian exporters, and I would appreciate it very much if he could accord me the courtesy of presuming that I am doing the same.

Mr. Hees: I think your heart is in the right place. I am wondering about your methods.

Mr. Pepin: Very well, let us consider methods then. The hon. member made three main suggestions. The first was that we should send out 25 missions a year composed of businessmen. The second was that we should bring to Canada from abroad between 600 and 700 businessmen a year. I think I am quoting him accurately. He added that we should wine and dine and entertain them. I do not think he could have meant that, since he had already condemned me for going from one dinner to another. His third recommendation was that we should arrange meetings between businessmen and officials of my department. These are very good ideas. I agree with them.

The only difficulty is that we are already doing all those things; we have been doing them for two or three years. I am disappointed; I thought the hon. member was a devoted reader of the *Financial Post,* the *Financial Times, Le Devoir,* the *Globe and Mail,* the *Vancouver Sun,* all those respectable newspapers which have been reporting my activities extensively in the last months and years.

I shall demonstrate this. First, as to missions. This year we have received about 25 incoming missions. The situation with regard to outgoing missions is different. I simply say that because a technique was good three or five or ten years ago does not mean the same technique will remain good for centuries to come. We have found by analysis that this type of businessmen's mission may not be the best. As a matter of fact, we have decided to adopt one of the other suggestions the hon. member was making the other day; we have decided to make better use of our money by sending specialist missions abroad.

Suppose, let us say, that there is a question involving the entry of apples to Japan. We recruit a group of specialists and interested businessmen in Canada and send them out as a technical mission. I am citing an actual case. Or suppose there is a problem involving the entry of tobacco into Japan. Well, we send a technical mission made up of tobacco growers. We believe this to be a more precise and effective instrument. It is the difference between using an axe and working with a scalpel.

The hon. member says we should bring businessmen here from abroad—he suggests between 600 and 700 a year. Well, we have been doing this for the last three years. Last year 700 came and this year we are expecting between 900 and 1,000. We are doing more than this. We are developing an entirely new set of programs for participation in capital projects abroad, for participation in market development, for participation by individual manufacturers in trade fairs. We say to an exporter, "You have been putting in three or four bids in the last few months and you are short of money. We shall pay 50 per cent of the cost of the next bid, or 50 per cent of the cost of bringing a prospective purchaser into Canada." If it works, the businessman pays the money back. If it doesn't, he forgets it and so do we.

We have also set up a market development group which is at work now putting things together—people producing equipment, people offering services, financial sources. The group spends its time putting these three components together. In other words, we are already much ahead of the hon. member for Prince Edward-Hastings.

The hon. member does not like the type of mission I led recently to many countries, Algeria, China, Japan, and so on. These missions are not made up of politicians only. They are tripartite in nature and I should like to underline this fact. There is usually a politician or two included: my parliamentary secretary was in the last one. Usually missions also include five, eight or a dozen officials from my department and a few more from the embassy of the country we are visiting. The Canadian ambassador is generally of great help to us. For example, Mr. Moran in Japan did a splendid job for the mission there. Then there is also a group of businessmen with the mission. What is wrong with that?

Mr. Hees: It's good, but you do not do enough.

Mr. Pepin: Last year missions went to Japan, Germany, the U.S.S.R., China, Algeria, Morocco and Israel—and the hon. member protests when I am not in the House!

Mr. Hees: I have never done that.

[*Translation*]

The Acting Speaker (Mr. Laniel): Order, please. I regret having to interrupt the minister, but his time has expired. Unless he gets unanimous consent from the House, he cannot continue his speech. Is the House prepared to allow the minister to complete his remarks?

Some hon. Members: Agreed.

[*English*]

Mr. Pepin: On those last five missions I have taken with me 102 businessmen and they have done extremely well for the missions.

If I had more time I would go into great detail as to the way in which we conduct these missions and determine their modus operandi. For example, when we went to the Soviet Union the problem was one involving two countries whose products and resources are not com-

plementary, so we developed mixed groups. We established seven of these groups in order to assess Canada's good points in the fields of technology, equipment, and so on, and decide how exchanges of technology and goods could take place. In China, the problem was a lack of information about the goods which that country was prepared to import. We solved this problem by getting the Chinese government to accept that each year there would be consultation between the two governments at which time China would indicate its import intentions for the year ahead. This constitutes quite an advantage. This meeting took place last December.

● (1610)

The difficulty in Japan was of penetrating the import system with manufactured products. This problem may have been solved by a sort of moral commitment given to us by the Japanese government that they would welcome such a move on our part, and then an approach was made to the big trading companies of Japan to try to convince them they should become involved in the process of bringing Canadian manufactured goods into Japan not only in their own interests but in the interests of Japan and Canada.

This is now being done. During the last few days we have had responses from four big Japanese trading companies, Mitsubishi, Sumitomo, Mitsui and Marubeni, and two of these companies have announced that they are going to send a trade mission to Canada to identify and buy. That is all to the good and is exactly the sort of thing my hon. friend would do, I am sure, were he still minister of trade and commerce. So when the hon. member says that we have gone back to doing business as usual, the facts are quite different; that at least I can say.

The hon. member also said we should arrange some meetings between officers of ITC and the business community. This is an obsession with the department. We estimated today that during the last year officers of the department have taken part in from 200 to 300 seminars, panels and what not, and members of the House from all parties have seen my officers in their own ridings on many occasions doing promotion for our programs.

As a matter of fact, if I may say so smilingly, we have taken a leaf from the hon. member's book in that we have arranged a big trade commissioners' conference. I do not have time to give any details, but there was a communiqué issued a few days ago on this subject. We are bringing them back as the hon. member did in 1960 and 1963, but with some more refinement, of course. The refinement is that we are not bringing them all back at the same time. We have divided the world into three parts and we are bringing in each of these groups of senior commissioners at different times.

We have also arranged for co-operation with the CMA and CEA in a somewhat more systematic fashion than my hon. friend did in 1960 and 1963. I was speaking to my good friend a moment ago and he asked me why it is that Canadians do not seem to be well aware of these events. I regret that, because I had taken it for granted that the hon. member read all of the communiqués, the *Financial Post*, the *Globe and Mail* and *Le Devoir*. Good Canadian businessmen have shown interest. Perhaps I am being a bit blunt or severe, but I think most hon. members of the House are aware of these things. Another point of detail is that we have published a paper entitled "Commerce Exterieur", and "Canada Commerce", which used to be sent to about 5,000 Canadian businessmen but now goes out to about 20,000. There is hardly a businessman worthy of the name who does not get a copy.

There are many other matters I could touch on. For example, I should like to have time to explain how the EDC—the Export Development Corporation—is growing. For example, average loans granted by EDC between 1960 and 1969 amounted annually to about $50 million. Last year the figure was $340 million and this year it is expected to be from $400 million to $500 million. It is not only a question of quantity but quality too. EDC is now working much better with the private banking systems than was the case previously. All kinds of ways and means are being found to increase this joint approach. I can give more information on this subject later.

Abroad EDC has developed a technique, which I think is a good one, whereby it establishes re-lending facilities. For example, EDC makes a loan to a local industrial development corporation, as was the case in Algeria, and that agency becomes a re-lending outlet for EDC. Rather cleverly, we are using their personnel to do the job for us.

Those hon. members who read the newspapers will be aware that in recent months we made available about $100 million worth of loans through EDC financing in countries like Algeria, Iran and Israel. In Yugoslavia, for example, Canada sold through EDC and a private bank 110 locomotives manufactured in London, Ontario, which was the biggest sale of locomotives in the history of mankind. You cannot do much better than that.

The same thing is happening in Korea, in Venezuela and elsewhere. There are so many instances I could cite, but I see my time is up. I just wanted to cheer up the hon. member for Prince Edward-Hastings and to reassure him that I think the department is in good hands. Some of my officials served him well during his years. They are still as intelligent as they were then and we have some new ones, all doing a wonderful job for Canada.

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, I listened to the speech of the Minister of Industry, Trade and Commerce (Mr. Pepin) with a great deal of interest and rapt attention. I must say at the outset that he demonstrated an absolute genius for philosophical dissertation, perhaps second to none in the House. But let me hasten to add that, like every other professor I have known, he seems to have an absolute phobia for thoroughly confusing the issue.

In the time allocated to me I should like to deal with some aspects of the Speech from the Throne and then, if I may, with some of the remarks made by the Minister of Industry, Trade and Commerce. If I may first deal with the Speech from the Throne in a most serious vein, never have we as Canadians experienced a time of greater unease and worry than today. We are worrying about the future of our homes, the future of our jobs and the future of our country.

I think that the Speech from the Throne was looked forward to by Canadians with perhaps more than the usual expectation. Most citizens were aware that we were approaching the time when we would be facing a federal election, so most of them expected a Speech from the Throne in which the government would try by every conceivable means to encourage voters to support it. I think they also expected that demonstrated in the Speech from the Throne would be an easily understandable program for Canada which would serve to assuage some of the uneasiness that Canadians are experiencing today.

Those of us who heard the Speech from the Throne and have listened to interpretations of it via the media, the press, radio and television, must certainly have realized almost immediately that the Speech from the Throne itself was nebulous, ethereal, that it did not come to grips with the basic problems facing us today. Like most speeches from the throne that we have heard lately, it dealt with considerations, contemplations, promises of action for the future. But in no way did it give concrete evidence that the government would come to grips with the problems that are bothering Canadians today.

• (1620)

As Canadians, we have two things to go on in considering our government. This government is approaching an election. We want to know what the government's program will be. As opposition members, we want to know what we will be up against when we go out to face the people. The people of Canada want to know what the government is proposing for them.

At a recent meeting in Ottawa, the Prime Minister (Mr. Trudeau) is reported to have assured his party followers that one of the biggest problems facing their party today is that Canadians in general are not familiar with that party's accomplishments and record. Well, in the short time allocated to me this afternoon I will try to put on record some of those accomplishments. I begin by saying that some of the government's achievements are achievements that no government could have been expected to accomplish in a single term of office. I speak of the highest unemployment rate in the history of Canada, of the highest cost of living to which Canadians have ever been subjected, of the highest rents, the highest interest rates, the greatest number of business failures, the greatest budgetary deficit and the greatest amount of confusion that this country has ever witnessed.

Why any Prime Minister would urge his government to go out and face the country on the basis of that record is beyond me. That indicates to me that here is another record. Here we have a Prime Minister who acually has less conception than anybody else as to how the people of the country feel about his record.

Some hon. Members: Hear, hear!

Mr. Danforth: Mr. Speaker, no one in this country in any way doubts the intellectual capacities of our Prime Minister. What bothers me is that in approaching our major problems the Prime Minister seems to be obsessed with the idea that in arriving at solutions he must apply some kind of scientific policy of balance and counterbalance. In other words, when he is faced with a force, he tries to summon a counterforce to meet it. It appears that he likes to sit back and, in an intellectual way, observe what actually happens and then react on the basis of his observations. That might be all right as an intellectual exercise in a university or college, but such an approach has been almost fatal for Canada and is one of the basic reasons for our present dilemma.

To illustrate my point may I give examples of this force and counterforce of which I have spoken and show how tragic is the result. One of the things we face today in Canada that is most divisive is the pitting of French versus English. The Prime Minister, by policies which were subject to interpretation and misinterpretation, has caused these two factions to become polarized in Canada to a degree we have never before experienced. I am terribly afraid that extremists on both sides will be using this polarization as a lever to divide our country further.

Then a program was initiated deliberately which turned consumers against retailers to such a degree that the government was encouraged to set up the Department of Consumer Affairs. There again, one Canadian faction was pitted against another Canadian faction. Also, labour was pitted against management. Not only did this government not attempt to anticipate labour problems; it seemed almost gleefully to anticipate them, to see what would happen in a confrontation. The way this government has dealt with unions involved in the public service gives further credence to the point I am trying to establish.

No one will deny that in Canada today there is antagonism between the provinces and the federal government and that we are not making progress in co-operation between the provinces and the federal governments to the degree experienced in the past. The situation has not been helped by some of the pronouncements of the right hon. gentleman regarding the character of some of the premiers of the provinces. That is another instance of force and counterforce. I could go on. Tremendous emphasis has been put on the matter of youth versus the establishment. We know about the tremendous emotional impact of legislation dealing with human problems. I am speaking of abortion and all the other aspects of that particular bill.

The latest action that is causing consternation across this country is the apparently deliberate attempt to cause a division of feeling in this country toward the United States. To illustrate further what I mean by balance and counterbalance, let me say this: it is reported that our Prime Minister, during his visit to

Moscow, made a statement which indicated that we need the help of Russia to counterbalance the effect of the United States on our economy and way of life. There, again, you see an example of force and counterforce, balance and counterbalance, with the Prime Minister sitting back and observing the results. This is a dangerous game in which Canadians cannot possibly win. It may entertain the government, but it is Canadians who will have to pay the tragic bill.

May I now deal with some of the statements made by the Minister of Industry, Trade and Commerce (Mr. Pepin). I think the minister's opening remarks demonstrated clearly why his policies are not as successful as were the policies of the Minister of Trade and Commerce of the Diefenbaker government. The position is there in the minister's opening remarks for all to see, Mr. Speaker. He spoke—I am paraphrasing, and doing it correctly, I hope—of a total, global industrial policy. He said he was audacious; he said he was brave; he said he was bold. But never in his entire speech did he intimate in any way that he was businesslike—and that is what we need, a businesslike minister.

Mr. Pepin: I thought the terms were synonymous. Businesslike means bold and audacious, surely.

Mr. Hees: Does the minister know what business is all about?

Mr. Danforth: Mr. Speaker, in Canada we are in trouble with our industrial program and programs of exports. It was all very well for the minister to quote figures showing that arrangements have been made from which we will in future gain exports involving countless millions of dollars in trade. But that is in the future, and this government has been dealing with the future ever since it took office in 1968.

• (1630)

I do not think the industry of this country will be able to wait much longer for this utopia of the future to which the government constantly points. It is a serious thing when major industries in this country reach the point where either they are not making a profit at all or are making so small a profit as to prevent expansion. It is all very well for the minister and the government to state to the House how well Canada is doing in respect of its export markets, and industrially; but they lose their credibility when we look at the tremendous number of unemployed in this country.

The only way to employ people is to have something for them to do. You cannot have something for them to do when you have an export policy and fiscal and monetary policies which seem to be deliberately designed to curtail industrial capacity rather than expand it. We are in a position in Canada today that is absolutely tragic. We are using industrial funds to pay factories for not producing. We are using taxpayers' money to pay workers not to work. We are paying farmers not to grow crops and we are fining farmers for producing. In no way can we develop an energetic industrial complex by such methods. Then the government uses tremendous sums of money in an attempt to get itself out of the dilemma.

The unfortunate thing is we seem to have such a complexity of departments of government today that it is almost impossible for one department to understand the programs of another department. Therefore, very often one department is working toward an end different from another department. I point out—and this is no secret—that under the regional development program we spend tremendous sums of money on the creation of industries when we have already industries which cannot possibly operate to capacity because the markets do not exist.

In this country, under regional expansion we grant large sums of money to create industries. What is happening, however, is that the industries are moving from one part of Canada to another to take advantage of these loans and grants in order to retool, rebuild and become more efficient at the expense of the taxpayers. We are not creating any jobs. What we are doing is moving the job potential. I do not think this is what the people of Canada expect from this government.

I should like to deal with some of the workings of the minister's department. The government speaks of economic sovereignty. There seems to be a tremendous bent or thrust by this government towards economic sovereignty. We hear about buying Canada back. We heard this in respect of the Canada Development Corporation. At the very time when they are going to buy back Canada and set up a Canadian Development Corporation to buy Canadian industries, the Department of Trade and Commerce is moving in the opposite direction, because since 1968, if my memory serves me correctly, about $314 million in grants for expansion and innovation have been made. Over half this amount was given to four large firms which are controlled by the United States. In this way they are able to expand their holdings in Canada. The money of the taxpayers of Canada is being used in a manner directly opposed to the present policy of the government. This would seem to be a rather strange program.

We have paid out millions of dollars for research. I am speaking in the order of $48 million or $50 million paid out for research. In the 1960's a tremendous amount of research was being carried on. About 25 per cent of the basic research in industry was being carried on in Canada. Under this government, however, the figure is down to 4 per cent in respect of research done in this country under the incentives program of the minister's department.

Mr. Pepin: Where did you get these figures?

Mr. Danforth: They are your department's figures. About 19 per cent of this money goes to the United States' companies and subsidiaries, and only about 7 per cent to Canadian companies. I am not objecting to this; all I am saying is that this is not the policy being enunciated by the Prime Minister and carried out by the Minister of Industry, Trade and Commerce.

Mr. Pepin: What is your policy?

Mr. Danforth: The Minister asks what our policy is. The people of Canada will find out in future months when we occupy the seats opposite. Then we will show them what our policy is.

What this country is looking for is a government which knows not only where it is today but where it wants the country to go to tomorrow. It is common knowledge that when this government came into office, the members of the government felt they not only knew all the questions facing the government but also all the answers. In their arrogance they did not accept the advice of the industrialists of this country. They did not accept the advice of the economists of this country. They did not accept the advice of the academics of this country or the people engaged in agriculture. They knew the answers.

For four years now they have made mistake after mistake after mistake, at the cost of the Canadian people. We have never had as many small businesses go bankrupt in any four-year period as we have in the last four years. Canada has never had as many farmers move off the farms in desperation in any four-year period as we have in the last four years. We have never had so many Canadians line up for welfare payments as we have in the last four years.

This government is in trouble because it has not come up with an over-all policy to solve these basic economic problems. It will not do this government any good to point to the United States and say that it is all their fault. Mr. Speaker, the people of Canada know who is responsible for our problems today. It is the men sitting on the treasury benches. It is these men who said they had the answers. They said the answer to the problems today is reform of the tax legislation.

I was very interested to hear one of my colleagues place on the record figures obtained from the Department of National Revenue because these figures did not indicate, as the government has stated, that the tax bill would take hundreds of thousands and perhaps millions of taxpayers off the tax rolls. My colleague put on record the department's own figures which show that it is perhaps in the neighbourhood of 60,000. It is this grandiose exaggeration by the government, trying to obtain plaudits from Canadians, that has got it into the trouble in which it is today. Because this government has been devious and has failed to understand what the ordinary Canadian is troubled with, it will follow its predecessor and go down to defeat.

• (1640)

Some hon. Members: Hear, hear!

Mr. Danforth: To back up my claim that this government does not understand what is happening in Canada today, I refer to the speeches that have been put on record by representatives of the government party. I am ashamed to say that even those government members who spoke for the province of Ontario, men who should know better, said that Canadians have never had it so good. That is the tragedy in Canada today.

Speech from the Throne

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, the Speech from the Throne reads like a document that has been prepared by an aggregate of technocratic bureaucrats living in an ivory tower and completely out of touch with the workaday world occupied by the vast majority of the Canadian people. I do not think I have ever seen a government so completely complacent and self-satisfied as this one.

Some hon. Members: Hear, hear!

Mr. Douglas: Nero, fiddling while Rome burned, was a piker compared to this aggregation who fiddle while the people of Canada burn with resentment. I think the statements in the Throne Speech and the statements of various ministers all underscore this complacency and self-satisfaction. I think the most outstanding was the one made by the Minister of the Environment (Mr. Davis), in the city of Vancouver, to a well-heeled and well-dressed audience. The minister was reported by the press as saying:

> There is no doubt about it, Canada's economy is in good shape... it's about time that Canadians themselves woke up to this fact.

The implication is that the people of Canada are sound asleep. The fact is it is the government that needs to wake up to the fact that the Canadian people know the economy is not in good shape. I would like the Minister of the Environment to tell the unemployed in my constituency that the economy is in good shape, or to tell that to the unemployed across Canada where 665,000 were unemployed at the end of January, almost eight out of every 100 workers. If you add to that the number who are taking manpower training, who are also unemployed but not included in the figures, the Indians who are looking for work, the married women who have retired from the labour force because they cannot get jobs, we are talking about something in the neighbourhood of over three quarters of a million people in Canada who want jobs and cannot get them.

The Prime Minister (Mr. Trudeau) says that there are plenty of jobs. That is interesting, in view of the fact that the Department of Manpower and Immigration spent $4 million doing a job survey which showed that there were 44,300 jobs available, only 38,500 of which were full-time jobs. Either the department's survey is in error and they wasted $4 million of the taxpayers' money, or the Prime Minister does not know what he is talking about.

An hon. Member: Or both.

Mr. Douglas: The Prime Minister says that he knows there are lots of jobs because all you have to do is to read the advertisements in the newspapers. I suggest he should read the Department of Manpower's report rather than the funny papers and the classified ads section. The Minister of Manpower and Immigration (Mr. Mackasey) himself says that unemployment will probably continue to rise in coming months, but he seeks to excuse himself by saying that the Local Initiatives Program has not reached its full capacity, that on January 15 it

had provided only 15,000 jobs but it is hoped that eventually it will provide some 70,000 jobs.

That is the worst indictment of the Local Initiatives Program that has been made by any member of the House. To tell the members of the House that on January 15 all those millions of dollars spent by the Canadian government had produced only 15,000 part-time jobs proves what members on this side of the House told the government last October, namely, that the Local Initiatives Program was both too little and too late, that this program, like the Opportunities for Youth program last year, was a good concept but there had been no preparatory work, there had been faulty administration, and millions of dollars had been wasted.

One is amazed when looking at some of the projects in the Local Initiatives Program. It is becoming a gigantic rip-off and is developing into the most stupendous pork-barrel this country has ever known. Some of the projects are excellent; some of them are simply seeking ways to spend money without any hope of giving the people of Canada any beneficial return. Surely the government should have learned by this time that if they want to initiate programs to provide employment, those programs must be planned months in advance, they must be worked out with the provincial and municipal governments and they must be worked out with industry and with local community organizations.

Merely to spend $150 million and to pour out the money wherever possible to mark ski-runs and to build birdhouses at a time when we cannot get decent housing for a lot of our people, including our native Indians, is an indication of the lack of imagination and lack of planning which has characterized this government, not just in the last few years but ever since it came into office in 1963.

I wish the Minister of the Environment would tell the unemployed in my constituency, most of whom waited from 7 to 11 weeks for unemployment insurance cheques, and some much longer, that our economy is in good shape. The handling of unemployment insurance payments has been the greatest administrative foul-up I have seen in all my years of association with governments.

There were three reasons for the foul-up. The first was that this was a new act and the staff out in the local offices were not properly briefed on the changes made to the act. Second, the Unemployment Insurance Commission chose this particular time to instal computers without adequate programming and adequate training, with the result that some 300 blank cheques were sent out, which is a good "do it yourself" program if you are allowed to fill them in.

• (1650)

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): A foretaste of the future.

An hon. Member: Liberal genius.

[Mr. Douglas.]

Mr. Douglas: Mr. Speaker, those first two problems can be overcome. I will say, to the credit of the staff of the Unemployment Insurance Commission, that in recent weeks they have been making valiant efforts to break the logjam and get the cheques out. The third reason cannot be solved by administrative procedures. The third reason unemployment insurance cheques have been delayed this year is that the government has insisted on defining earnings to include holiday pay, statutory holiday pay, severance pay and overtime.

Unemployment insurance, as we have always understood it in this country, insures a man or woman against unemployment after a waiting period of one week. This government has said, "We are going to insure you against an interruption of earnings due to unemployment; but you must not only be unemployed, you must be unemployed and broke." The government has applied a means test and it has had two effects. First, it has delayed payments because an employee is required to secure information and corroboration from an employer as to whether or not he has any further money coming to him. Second, it has produced tremendous inequity.

In my constituency there is a man who had been stationed in the far north for a long time. He took no holidays, no statutory holidays and worked Sundays. When the big snows came, the plant closed and he came back to live in my constituency. When he applied for unemployment insurance he found that he had in the neighbourhood of $800 coming from his employer for holiday pay, statutory holiday pay, overtime, etc. That meant that at the rate of $100 a week for eight weeks he was deprived of any unemployment insurance benefit for eight weeks, plus a two-week waiting period.

If he had received his holiday pay each month as some workers do, or if he had taken his holidays last summer and the previous Christmas and New Year; had he gone to the outside and spent his money he would have been eligible for benefits after two weeks. Instead, he is deprived of benefits for eight weeks and by that time the snow would be gone and the plant would be in operation again, so he would be back at work without receiving any unemployment insurance benefits at all. This is cheating, when a man is asked to pay unemployment insurance—

Some hon. Members: Hear, hear!

Mr. Douglas: —over the years and then is deprived of unemployment insurance benefits merely because the holiday pay and other income which he has coming to him has been held up and allowed to accumulate.

Mr. Speaker, when some unemployment insurance recipients got their cheques—and we have had quite a struggle getting them—I looked at them. I saw one unemployment insurance voucher for a week, $77; income tax deducted, $14; cheque, $63. That is a $14 deduction from a miserable $77 to keep a man, his wife and his children. Why? Because this government in its tax legislation decided to allow workers to deduct un-

employment insurance premiums from income while at the same time it taxed unemployment insurance benefits.

Allowing the worker to deduct unemployment insurance contributions from income tax cost the government $100 million, but the estimate of the government is that it will take in $130 million by taxing unemployment insurance benefits. That is $30 million to the good. If you have to chisel $30 million out of somebody, for God's sake, don't do it out of the unemployed.

Some hon. Members: Hear, hear!

Mr. Douglas: Mr. Speaker, I say to the government on behalf of my colleagues and myself that we will not cease fighting in this House to get the government to remove this iniquitous provision of including holiday pay, statutory holiday pay and other items of this kind in the definition of earnings. We contend that the government has no right to apply a means test.

Mr. Hees: Hear, hear!

Mr. Douglas: When a man or woman has contributed to the unemployment insurance fund over a period of time, the fact that they are unemployed after the specified waiting period should entitle them to unemployment insurance, without anything else.

Some hon. Members: Hear, hear!

Mr. Peters: Crooked government.

Mr. Douglas: Mr. Speaker, I should like to see the government go to the people of this country who live on fixed incomes and tell them, in the words of the Minister of the Environment, that the economy of Canada is in good shape. People on fixed incomes are the most defenceless and vulnerable group in our society. Every increase in the cost of living reduces their standard of living and the purchasing power of their small income. All over this country one meets people—not just poor people but people who retired 10 or 15 years ago on what was then considered an adequate income—who now find it increasingly difficult to make ends meet.

In the speech which was given at the prorogation of the last session of Parliament on February 16, the government boasted of, and I quote, "the unmatched achievement in the area of price stability". The government has made a great deal of noise about the fact that last year the cost of living went up only between 3 per cent and 4 per cent. Mr. Speaker, if there was any price stability it had nothing to do with the government's prices and incomes policy; it was due to the fact that in 1970 the Canadian dollar was unpegged. That automatically had the effect of reducing the price of goods imported from the United States by 7 per cent or 8 per cent. Over a period of a year or a year and a half we have used up the benefit derived from unpegging the Canadian dollar.

What is happening now? Last December the cost of living index was up 5 per cent over the same month the previous year. In January of this year the cost of living index was up 4.9 per cent compared with January of last year. Already we are beginning to see the signs of an upsurge in the cost of living. Interest rates are going up. Our interest rates are now higher than those in the United States, whereas a short time ago they were lower.

We would like to know whether the government is going to move to begin monetary restraints, because if they are, then we are back to the old game that this government has been playing in recent years: they have been going up and down like a yo-yo. When we are faced with rising living costs, they immediately apply the brakes and get unemployment; then they give the economy a short shot in the arm, increasing the money supply by some 20 per cent, and when the cost of living goes up again, they put on the brakes.

• (1700)

I think we have good reason to wonder whether this government, which pumped a lot of money into the economy last year and is now watching the cost of living rising and interest rates increasing, is in a hurry to get the election over so it can start to put the restraints on again and further increase unemployment. This government has never learned the basic and essential fact that Canada has not faced inflation; Canada has faced an inequitable distribution of income. The people who have money do not need more goods. The people who need more goods do not have the money to buy them.

As John Kenneth Galbraith has been pointing out in the United States, as well as Professor Samuelson, the answer lies in a twofold program: first, public programs to improve the public sector, the building of houses, schools, hospitals and recreation centres, clearing up pollution and reforesting the devastated areas of this country; second, a program to put money into the pockets of the people in the middle and lower income groups, the old age pensioners, veterans, pensioners, native Indians and the unemployed in order to create the effective demand which is required.

The report of the Economic Council of Canada which has just been released points out that industry is reducing its forecast capital spending this year. This ought to prove to the government that merely making concessions to industry and giving tax rebates to encourage them to expand their plants is not the answer. What entrepreneur is going to expand his plant if it is operating at 80 per cent or 85 per cent capacity. The quickest way to get expansion of industry is to increase demand. If the orders were coming in at a rate the factory could not handle, the industry would soon expand its plant.

Some hon. Members: Hear, hear!

Mr. Douglas: This government continues to follow the "trickle down" theory. It believes that if it pumps enough money into the big corporations, giving them special concessions, grants and loans, it will somehow trickle down to the people at the bottom. The fact is that it is not trickling down at all.

I would like to see the Minister of the Environment tell the fishermen in my constituency that the economy is in good shape. The fishermen are being forced out of their industry by the minister's licensing program and boat retirement program. Fishermen are well aware that the government's whole program is designed to drive small fishermen out of the industry and to hasten the day when fishing will be entirely in the hands of large fishing companies. The young men who go into the fishing industry will do so as hired hands on ships owned and operated by the fishing companies in British Columbia.

Some hon. Members: Shame!

Mr. Douglas: I would like the government to tell the native Indian people that the economy is in good shape. I have 13 bands in my constituency. When I visit them, I am ashamed of the way these people are being treated. There are crowded housing conditions. If they are lucky, they are building two or three houses on some reserves. Do you know how much we give them to build a house? Eight thousand five hundred dollars. Is there anyone in this House who can build a house fit for a human being to live in for $8,500?

There is a lack of water supply and sanitary facilities. In my constituency, almost every fall we have large numbers of children in the Duncan Hospital suffering from hepatitis and salmonella, because of contaminated water. We ought to be spending money creating jobs for the Indian people, helping to improve conditions on their reserves, helping to build houses, decent schools and providing a proper water supply. Don't tell them that the economy is in good shape. They know that the conditions on those reserves beggar description and are a disgrace to a so-called humanitarian and civilized society.

Some hon. Members: Hear, hear!

Mr. Douglas: I would like to hear the government tell the business community that the economy is in good shape. I am not speaking of the 95 corporations that Mr. R. J. Rankin, president of the Liberal Party Red Carnation Fund, said supplied all their campaign funds; I am talking about the general business community, the entrepreneurs who keep the economy operating in this country.

I have never received so many letters from small businessmen as in the past six months. They complain about the fact that they cannot get working capital. The Small Businesses Loans Act is useless; the banks are not lending money under it. The Industrial Development Bank is hopeless as a source of funds for small businessmen. Large corporations, particularly those which have their parent company in the United States, have no trouble; they are able to get funds for expansion and development. But small businessmen today are finding it more difficult than ever before to get working capital and to start new enterprises. This is a large corporation-oriented government.

Some hon. Members: Hear, hear!

Mr. Douglas: It could not care less about small business. That is why we in this group will support the amendment moved by the Social Credit Rally, which reads in part:

due to its failure to proceed with monetary reform in accordance with the needs of the Canadian society.

We do not agree with social credit but we certainly think there is a tremendous need for reform of the monetary system in this country. It must meet the needs of Canadians, needs which are not being met at the present time. The business community today is bewildered and uncertain because the government has given no clear lead as to what its policy on foreign ownership will be. Last July the cabinet agreed on a screening mechanism to deal with foreign ownership. A few months ago it dealt with the report of the Minister of National Revenue (Mr. Gray). As the leader of our party pointed out yesterday and today, we have had repeated statements from the Prime Minister that the government's policy will be announced in due course and the report of the Minister of National Revenue on foreign ownership and control will be released. We do not have them. In his statement yesterday the Prime Minister indicated we will not get them soon, if at all. What is the effect? The effect is that the business community does not know where the government is going, for the very obvious reason that the government itself does not know where it is going.

Some hon. Members: Hear, hear!

Mr. Douglas: The uncertainty of the business community is heightened by the fact that we have had conflicting statements with regard to the trade discussions that are going on with the United States. One minister told us that the government is standing on guard to protect the auto agreement. The Secretary of State for External Affairs (Mr. Sharp), in the speech which he prepared for delivery in Winnipeg last Saturday, said:

• (1710)

It would indeed be ludicrous if there were to be a serious rift between Canada and the United States over the auto pact—

Does this mean that the auto pact is to be the sacrificial lamb? The minister went on to say:

Canada does understand and sympathize with the United States administration in its desire to correct certain fundamental imbalances in currency and trade relations. We have made our contribution to the correction of some of these imbalances and we are prepared to go further.

Surely this House and the country have a right to know how much further we are prepared to go. What concessions are we prepared to make? What deals are going on behind closed doors?

Secretary of the Treasury Connally and the United States government are not asking just for amendments to the auto pact. Are deals going on with respect to energy resources? Are we getting ready for another sell-out of natural gas? Are we getting ready to make a deal about water, as the Minister of the Environment was advocating a few years ago? There was an example recently of what I have in mind. I asked the Minister of

Indian Affairs and Northern Development (Mr. Chrétien) last Monday about an agreement entered into by Panarctic Oils Limited, in which the Canadian government is the largest single shareholder. Here is an agreement entered into between the company and a consortium of United States transmission and utility corporations which, in return for a loan of $75 million over 15 years, gives them first refusal of gas available for export to the United States. Mr. Speaker, does anyone believe Canada could not raise that $75 million over the next 15 years?

Mr. Deputy Speaker: Order. I regret to interrupt the hon. member but I must do so to advise him that his time has expired.

Some hon. Members: Continue.

Mr. Deputy Speaker: Is there unanimous consent? If there is, the hon. member may continue, but I would respectfully draw to the attention of the House the fact that we are working under a time limit.

Mr. Knowles (Winnipeg North Centre): Two minutes.

Mr. Deputy Speaker: Is there unanimous consent for the hon. member to continue?

Some hon. Members: Agreed.

Mr. Douglas: I shall take only two minutes, Mr. Speaker. I believe an examination of the economy and of Canadian society would indicate that our economy is not in good shape. There may be some sections of it which are. A recent survey showed that the largest corporations in Canada increased their profits after taxation by 25 per cent in the last quarter of 1971 as compared with the same period of the previous year. For them, the economy may be in good shape. But for the vast majority of the Canadian people the economy is not in good shape and is not serving their needs. I say to the government that the sooner they go to the people and give them a chance to express their views on the government's management of the economy, the better it will be for all concerned.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Georges-C. Lachance (Lafontaine): Mr. Speaker, first of all, I want to congratulate the mover and the seconder of the Address in Reply to the Speech from the Throne. The hon. members for Bruce and Trois-Rivières (Messrs. Whicher and Lajoie) performed their task very intelligently and imaginatively. The former drew a clear and detailed picture of the achievements of the present government, while the latter focussed his attention mostly on the future.

I take this opportunity to make a few brief remarks, knowing that inexorably, at half past five Mr. Speaker, will have to ask hon. members to make important decisions. Yet, I hope to have enough time to set forth a few ideas as briefly as possible.

During the last session, I had the pleasure, as vice-chairman of the Committee on External Affairs and National Defence, to take part in numerous sittings of the committee, both public and *in camera*.

I noticed the great interest shown by the general public in the white paper on the foreign policy of Canada entitled *Foreign Policy for Canadians*. The same applied to that part of the white paper dealing with external aid, which was also studied. I had the pleasure and honour of being in the Chair at that time. We prepared two reports; they were tabled in the House in June 1971. On this subject, Mr. Speaker, I should like to say how much we appreciated the wise advice and opinions of the director of the Parliamentary Centre for Foreign Affairs and Foreign Trade, Mr. Dobell, and his staff. They never failed to give the two committees concerned invaluable assistance.

Since those two reports were not studied at the time they were tabled in the House, I feel that, for the benefit of hon. members as well as those who read *Hansard*, I might say a few words about them.

• (1720)

As to the first report on foreign policy, I quote first those words from U Thant, which appear on the first page of the report:

> Nations cannot go alone on their isolated and often divergent paths, preoccupied only with national priorities and problems.

This testimony has served as the basis, the beacon for the preparation of our report.

The introduction contains the following words, and I quote:

> The Committee considers that the policy review has been of benefit most particularly to the Ministers and officials involved in the formulation of foreign policy.

Among the main subjects contained in the report, we can find one concerning interdependence or the extension abroad of domestic policy, and the following can be found on page 3 of that report:

> The Committee is convinced that there are, in fact, differences in the goals Canada wishes to attain in the internal context and those to be worked for in an international context.
>
> The Committee sees no reason why Canada cannot promote its domestic policies and defend its national interests, while at the same time recognizing more emphatically the different environment, the different problems and therefore the different responses needed in the "global village".

On page 4 of the report, we read, and I quote:

> The committee is disturbed by the lower priority accorded to "peace and security", and by the more cautious attitude toward peacekeeping—

A large number of witnesses have expressed the view that it would be impossible to realize the national objectives desired without international peace.

The committee had noted some perhaps important, omissions, since there was no mention of the names of many countries and of many subjects pointed out by the witnesses themselves and also by the members of the committee. It was also stated that the complex relations between the United States and Canada should obviously have constituted an important part of that white paper.

In conclusion, Mr. Speaker, the committee accepts the restatement of the national objectives, for the time being. It considers that the white paper has given too much importance to the integration of the objectives and priorities of our foreign and domestic policies. When one considers foreign policy, one should not only wonder in what kind of Canada we are going to live, but also, as one witness put it, in what type of world we want to live.

As for the report on the assistance to international development, which was also tabled in the House in June 1971, the committee has held 25 meetings, beside the in camera sittings for the drafting of the report, and it has heard several witnesses. Furthermore, this report is based on a statement by Mr. Maurice Strong, former chairman of the Canadian International Development Agency, referring to the emergence of what he describes as "a much more human attitude toward development".

This report on the aid to international development especially deals with five main objects: the equity for social development and a fairer distribution of the advantages of economic growth; in underdeveloped countries; sharing to awake, maintain and channel the interest of Canadians; the creation of jobs entailing some assistance to obtain the best conditions of employment in less fortunate countries; a receptive and more coherent policy towards co-operation as a true association of equals; the adoption of a new policy in a field such as trade and commerce, so as to enable developing countries to help themselves, also retained the attention of committee members, and so did a new definition of technology as the adjustment of progress to the needs of various societies.

Also, we considered a quotation from Pope Paul VI, to the effect that "development is the new name for peace".

I wish to commend those who participated actively in the study of this report, and say that this experience was very enriching to me, because I had an opportunity of participating actively in the preparation of these reports. I think the government is doing well by introducing white papers and giving committee members an opportunity of discussing them in consultation with the public.

During the last session, I had the opportunity of membership on the Joint Senate and House Committee on the Constitution of Canada. I attended some 200 public and in camera meetings and I hope the committee will produce a report in the near future.

That experience was also a highly interesting one as for the first time a committee travelled all over Canada, inviting the general public's participation in the study of the problems of Canada's constitution.

During the summer of 1971 I also had the pleasure of going on a mission of inquiry in India and Pakistan together with the hon. members for Greenwood (Mr. Brewin) and Hillsborough (Mr. Macquarrie.) Upon our return we submitted a report to the federal government wherein we stated that the major reason for the journey was to have a direct view of the plight of the refugees from East Pakistan, as it was then called, and which is now called Bengla Desh and was recognized by Canada just a few days ago.

We believed then that the heavy burden of having to face such an influx was not to be assumed by India alone; we are more than ever convinced now that that humanitarian problem concerned all countries and that the world community owed it to itself to provide immediately an efficient and generous aid to help these millions of unfortunate people.

The Bangla Desh state is now born and those problems still exist. I hope the Canadian government will take the necessary steps to promote the rehabilitation of those 10 million refugees and that it will help Bangla Desh to gain a strong economic foothold so as to cope with the numerous problems of the present.

Last November, Mr. Speaker, I also had the opportunity of accompanying another parliamentary group in South Africa where I went along with the hon. member for Malpèque (Mr. MacLean) and the hon. member for Red Deer (Mr. Thompson) on a study mission which enabled us to gain first-hand knowledge of the problem that exists in South Africa.

That country is multiracial and multinational. About a month ago, I had a chance, in a speech I was making in Montreal, to say a few words about it. I shall take a few minutes from the House to make a few comments.

For instance, today's policy in South Africa is not the result of a mere abstraction. Five centuries are there to provide an explanation and, one might even say, command it. Even if this solution is imperfect, as compared to others, at least it has the merit of being realistic for today and imaginative for tomorrow.

Still, it remains a makeshift solution. In other words it may be acceptable, but only temporarily and for the time being. For the Republic of South Africa is racing against the clock. If it is to win the hardy game it has entered into, it should be aware of the need for quick transformation. However, such an evolution will require some sacrifices.

We will have to make financial sacrifices: the development of the future African states will necessitate huge expenses. We will also have to make moral sacrifices: in order to preserve the most essential things, the whites will have to forgo some of their privileges.

There should be no more question of petty apartheid or of what could be called pin-pricking. It is of course a considerable challenge, but it is well worth it. If historians are not allowed to prophesy, they can at least express wishes.

My wish is for the western world to finally understand the solidarity which unites it to South Africa, and without withholding criticism, to be able to temper it with objectivity. Above all, it will have to show understanding and to make allowances for a country which is faced with a problem such as exists nowhere else in the world.

The Acting Speaker (Mr. Honey): Order, please. Pursuant to Standing Order 38(4), it is my duty to interrupt this debate, as it is now 5.30 p.m., and to put the question on any amendment now before the House.

[*English*]

The House divided on the amendment to the amendment (Mr. Caouette) which was negatived on the following division:

(Division No. 2)

YEAS

Messrs:

Aiken
Alexander
Alkenbrack
Asselin
Baldwin
Barnett
Beaudoin
Bell
Benjamin
Blackburn
Brewin
Broadbent
Burton
Cadieu
Carter
Coates
Code
Crouse
Danforth
Dionne
Douglas
Fairweather
Flemming
Fortin
Gauthier
Gilbert
Godin
Grills
Hales
Harding
Hees
Hellyer
Howard (Skeena)
Howe
Knight
Knowles (Winnipeg North Centre)
Korchinski
Lambert (Edmonton West)
Laprise
Latulippe
Lewis
MacDonald (Egmont)
MacInnis (Cape Breton-East Richmond)
MacInnis (Mrs.)
MacKay
MacLean
Macquarrie
MacRae
McCleave
McCutcheon
McGrath
McIntosh
McKinley
McQuaid
Marshall
Mather
Matte
Moore
Muir
Murta
Nesbitt
Noble
Nowlan
Nystrom
Orlikow
Peddle
Peters
Ritchie
Rodrigue
Rondeau
Rose
Rowland
Rynard
Saltsman
Schumacher
Simpson
Skoberg
Southam
Stewart (Marquette)
Tétrault
Thomas (Moncton)
Winch
Woolliams
Yewchuk—84.

NAYS

Messrs:

Allmand
Andras
Badanai
Barrett
Basford
Béchard
Beer
Benson
Blair
Blouin
Boulanger
Caccia
Cafik
Cantin
Chappell
Chrétien
Clermont
Cobbe
Comtois
Corbin
Crossman
Cullen
Cyr
Danson
Davis
Deachman
Deakon
De Bané
Drury
Dubé
Dupras
Émard
Éthier
Faulkner
Forest
Forget
Foster
Francis
Gendron
Gervais
Gibson
Goode
Goyer
Gray
Groos
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Hopkins
Howard (Okanagan Boundary)
Hymmen
Isabelle
Jamieson
Jerome
Kaplan
Lachance
Laflamme
Laing (Vancouver South)
Lajoie
Lang (Saskatoon-Humboldt)
Langlois
Laniel
La Salle
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
L'Heureux
Loiselle
Macdonald (Rosedale)
MacEachen
MacGuigan
McBride
McIlraith
McNulty
Mahoney
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Noël
O'Connell
Olson
Osler
Otto
Ouellet
Pelletier
Penner
Pepin
Perrault
Portelance
Pringle
Prud'homme
Richardson
Robinson
Rochon
Rock
Roy (Timmins)
Roy (Laval)
Serré
Sharp
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
Stanbury
Stewart (Okanagan-Kootenay)
St. Pierre
Sulatycky
Thomas (Maisonneuve-Rosemont)
Tolmie
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Wahn
Watson
Whelan
Whicher
Whiting
Yanakis—122.

Division

• (1750)

Mr. Deputy Speaker: I declare the subamendment lost.

The next question is on the amendment—

During the reading of the amendment:

Some hon. Members: Order.

Mr. MacInnis: McBride, out.

Some hon. Members: Out.

Mr. Deputy Speaker: Order, please. I gather there is some concern about an hon. member entering the chamber after the Chair started to put the question. The Chair

Division

did not see this, but if it is the case I know the hon. member will retire until the vote is taken.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: The question is on the amendment of the Leader of the Opposition (Mr. Stanfield).

The House divided on the amendment (Mr. Stanfield) which was negatived on the following division:

(Division No. 3)

YEAS

Messrs:

Aiken
Alexander
Alkenbrack
Asselin
Baldwin
Barnett
Beaudoin
Bell
Benjamin
Bigg
Blackburn
Brewin
Broadbent
Burton
Cadieu
Carter
Coates
Code
Crouse
Danforth
Dionne
Douglas
Fairweather
Flemming
Fortin
Gauthier
Gilbert
Godin
Grills
Hales
Harding
Hees
Hellyer
Howard (Skeena)
Howe
Knight
Knowles (Winnipeg North Centre)
Korchinski
Lambert (Edmonton West)
Laprise
La Salle
Latulippe
Lewis
MacDonald (Egmont)
MacInnis (Cape Breton-East Richmond)
MacInnis (Mrs.)
MacKay
MacLean
Macquarrie
MacRae
McCleave
McCutcheon
McGrath
McIntosh
McKinley
McQuaid
Marshall
Mather
Matte
Moore
Muir
Murta
Nesbitt
Noble
Nowlan
Nystrom
Orlikow
Peddle
Peters
Ritchie
Rodrigue
Rondeau
Rose
Rowland
Rynard
Saltsman
Schumacher
Simpson
Skoberg
Southam
Stewart (Marquette
Tétrault
Thomas (Moncton)
Winch
Woolliams
Yewchuk—86.

NAYS

Messrs:

Allmand
Andras
Badanai
Barrett
Basford
Béchard
Beer
Benson
Blair
Blouin
Boulanger
Caccia
Cafik
Cantin
Chappell
Chrétien
Clermont
Cobbe
Comtois
Corbin
Crossman
Cullen
Cyr
Danson
Davis
Deachman
Deakon
De Bané
Drury
Dubé
Dupras
Émard
Éthier
Faulkner
Forest
Forget
Foster
Francis
Gendron
Gervais
Gibson
Goode
Goyer
Gray
Groos
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Hopkins
Howard (Okanagan Boundary)
Hymmen
Isabelle
Jamieson
Jerome
Kaplan
Lachance
Laflamme
Laing (Vancouver South)
Lajoie
Lang (Saskatoon-Humboldt)
Langlois
Laniel
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
L'Heureux
Loiselle
Macdonald (Rosedale)
MacEachen
MacGuigan
McIlraith
McNulty
Mahoney
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Noël
O'Connell
Olson
Osler
Otto
Ouellet
Pelletier
Penner
Pepin
Perrault
Portelance
Pringle
Prud'homme
Richardson
Robinson
Rochon
Rock
Roy (Timmins)
Roy (Laval)
Serré
Sharp
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
Stanbury
Stewart (Okanagan-Kootenay)
St. Pierre
Sulatycky
Thomas (Maisonneuve-Rosemont)
Tolmie
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Wahn
Watson
Whelan
Whicher
Whiting
Yanakis—120.

Mr. Deputy Speaker: I declare the amendment lost.

At 6.09 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, February 24, 1972

The House met at 11 a.m.

ROUTINE PROCEEDINGS

DRUGS

METHADONE AND AMPHETAMINES—STATEMENT ON ACTION TO CONTROL ABUSE

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, the government, as many members are aware, is deeply concerned about the non-medical use of drugs and the effects of such use on the individual and on our society. As part of our program to combat this hazard through a balanced comprehensive strategy, I wish to announce important action in relation to two different types of drugs, the abuse of which has been a public health problem of major proportions in this country. I refer to action against the abuse of methadone and the amphetamines.

Methadone is an opiate-type synthetic drug which has become widely used in the treatment of heroin addiction. During the last year, staff of my department have received many reports of misuse and abuse of methadone. As a result of concern over misuse of this drug, the former Food and Drug Directorate of my department and the Canadian Medical Association established a joint committee in 1970 to investigate the proper place of methadone in the care of narcotic addicts. Concern about the abuse of methadone also was raised by the Le Dain Commission in its final report on treatment, which was submitted to the government a few weeks ago.

As a result of the recommendations of the joint FDD-CMA committee and of the Le Dain Commission, I have decided to restrict the availability of methadone in the following way: Physicians will be permitted to prescribe methadone only after they are authorized to do so by the Minister of National Health and Welfare. Those so authorized will be considered to be qualified by reason of expertise and the availability of necessary facilities and ancillary services to utilize methadone effectively in the treatment of heroin abuse.

In line with the recommendations of the Le Dain Commission, authorized physicians will be required to be associated with a specialized clinic. Requests for authorization will be considered by an expert advisory committee to be appointed by me in co-operation with the medical profession. I expect that necessary regulatory changes can be made and the methadone control program instituted within a few weeks time. The program should be fully operational by June 1 of this year. In the meantime I call upon the physicians of Canada to utilize restraint in the use of methadone.

• (1110)

Although smaller amounts of amphetamine are now being prescribed in Canada than a few years ago, considerable evidence has come to the attention of my department indicating the over-prescribing of these drugs by some medical practitioners. Considerable evidence also exists that the related drugs, phenmetrazine and phendimetrazine, are misused in a manner similar to that of amphetamines.

Medical authorities are agreed that the legitimate medical uses of amphetamines are extremely limited. They have at best only a minor role in rational drug therapy, primarily for the treatment of two relatively rare and obscure disorders, narcolepsy and hyperkinesis in children.

As a result of my grave concern about the serious public health implications of amphetamine abuse, I have decided that the use of amphetamines and the related drugs, phenmetrazine and phendimetrazine, will be limited to treatment of only those disorders for which they are indicated on medical grounds. Use of these drugs for treatment of obesity as so-called "diet pills" will no longer be permitted. Any physician wishing to prescribe amphetamines, phenmetrazine and phendimetrazine will be authorized by the Minister of National Health and Welfare to do so provided he wishes to use the drugs for treatment of bona fide narcoleptics and hyperkinetic children. In co-operation with the Canadian Medical Association and L'Association des Médecins de Langue Française du Canada, a list of consulting physicians will be drawn up to aid in verification of the diagnosis of these relatively rare disorders.

I am extremely pleased with the co-operation being offered to us by the medical associations of Canada in helping solve this important problem.

I am fully aware, as are other hon. members, that this action to control misuse of legally prescribed amphetamines does not directly affect use of these drugs by so-called "speed freaks" who obtain their drugs from illicit sources. Nevertheless, this action does indicate the serious light in which the government views amphetamine abuse and should have marked effects on an important aspect of abuse of these drugs, that by adults who obtain their drugs on prescription.

It will take a few months to work out the details of the amphetamine control program in co-operation with the medical profession. I expect, however, that the program will be fully operational by September 1 of this year.

In closing, Mr. Speaker, may I make a brief mention of another aspect of our total program to control the misuse and abuse of drugs. In January of this year, we invited parents and others receiving federal social assistance cheques to send for a free information booklet entitled "A Parent's Guide to Drug Abuse". Public response to this

offer has been most gratifying and, in fact, almost overwhelming. To date, nearly 500,000 requests for the booklet have been received by my department and more especially by the directorate on the non-medical use of drugs. Because of the large volume of requests, it is taking my staff longer than they had first anticipated to provide copies of the booklet to all who have requested it. I ask the public to be patient. Everyone who requests a copy of this useful publication will be sent one. This booklet is but the first in a continuing series of factual presentations on various aspects of drug abuse, aimed at providing the facts on this serious problem to Canadians as part of our over-all drug education program.

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, we cannot help but welcome the statement by the Minister of National Health and Welfare (Mr. Munro) that his department is deeply concerned about the non-medical use of drugs and the effects on the individual and society.

One of the disturbing things to be noted is that the drug methadone at one time was the cure-all for heroin addicts; addicts were put on this drug so they could be weaned from heroin which was habit-forming. Today we find that methadone is also habit-forming. We wonder in so many cases whether drugs that are being used today which we feel are safe and not habit-forming will turn up tomorrow on the list of those that are habit-forming. The minister will realize that talwin is a drug which could be bought a short time ago without prescription and now is on the prescription list. It was supposed to be a non-habit forming drug. So the story goes.

I wonder whether on the whole we are providing laboratory and research facilities adequate to test the effect of these drugs on human beings. People I have spoken to in this field say that laboratory and research facilities are totally inadequate to test these drugs to determine whether they are or are not habit-forming. I believe the minister realizes this is the situation. He has stated on a number of occasions that more facilities should be provided. However, they are being provided very slowly. I believe this is a very important point.

In bringing these drugs under control I wonder how the minister intends to look after the situation in the Northwest Territories, the Yukon Territory or in other huge and sparsely settled areas which are served by one doctor or even paramedical personnel. I wonder how the people in these areas will be treated and what provisions have been made for treating them. Are they to be brought out to clinics and treated at the expense of the government? The minister did not make this clear.

I also want to dwell for a moment on the fact that the minister has not said very much about the situation of younger people in respect of the use of drugs. I think this is the key to the whole problem. They are growing up in an age in which drugs are thought to be the answer to almost everything and to all problems. I believe it is paramount today that we educate our younger generation in regard to the fact that any drug can be harmful to the human individual. I think this should be part and parcel of the work the minister should carry on in the field of food and drugs. People should be educated that drugs are not the answer to many social problems.

I congratulate the minister on this step and suggest to him that we should go further and provide facilities for people living in outlying territories. We should provide laboratory facilities for the treatment of people when they are referred to a lab by a doctor for testing in order to see what the results are, so that more research may be carried on in this field and so that we will have the answers more quickly and not after we find that people are addicts.

Mr. Frank Howard (Skeena): Mr. Speaker, I suppose one could start very easily by classifying this statement as a pretty insignificant response to a rather massive problem which has existed in this country for some years and is increasing in intensity as each month goes by. I rather regret the fact that the minister, after examination of the first report of the Le Dain Commission and the treatment report which came out a short while ago, was not able to do better than this in terms of attempting to cope with the non-medical or abusive use of drugs.

• (1120)

Part of the approach the minister has taken relates to methadone and the dispensing by prescription of methadone as a substitute drug particularly for heroin addicts. Under the proposal the minister will be limiting the opportunity of physicians to dispense and prescribe methadone to specialized clinics. The first thing wrong with that approach is that we will still be using a chemical that will create or help to create a euphoric or semi-euphoric condition in the addict himself. We will not be coping whatever in any way with the internal emotional difficulties of addicts that make them addicts in the first place. This is just a stopgap measure. All that will happen, as the minister knows because there has been abuse in the use of methadone itself, is that we will create, in addition to a group of heroin addicts, a group of methadone addicts either in substitution or in addition thereto.

It has been a conscious policy of the Parole Board in issuing parole to addicts who are in penitentiaries to try to place them on parole away from the big, urban metropolitan centres, away from the street, away from the area where drugs are easily available, and parole them to out of the way or smaller communities. If we are going to follow that practice, and I think the Parole Board is, then the minister by this program is denying those heroin addicts who are paroled to out of the way or smaller communities what benefits may arise from a methadone treatment program. He is confining the prescribing of methadone to physicians who are associated with specialized clinics, and the prospects are that the specialized clinics will be in cities like Toronto, Vancouver and Montreal.

Mr. Munro: No, hospitals.

Mr. Howard (Skeena): The minister shakes his head negatively, but he made no effort to indicate in his statement where these specialized clinics will be and whether they will be extended. If the minister had thought that point through and included it in his statement, perhaps we would not have to make these comments. I still submit, however, that many heroin addicts are on parole to smaller communities and rural areas in the nation, and this is one of the conditions in granting them parole. Many of

them are now undergoing a methadone treatment program through private physicians. If those physicians are to be denied the opportunity to continue to prescribe methadone except in specialized clinics, many of those on parole who are using methadone as a substitute drug for heroin will get into difficulties.

The minister talks in terms of wanting to confine the prescription of amphetamines and other drugs that fall within that class to certain medical uses. I think that is a good move. We have known for a long time that probably the people who have contributed most in a total sense to the thinking of society that you can cure anything with a pill have been those in the medical profession who have dispensed pills, potions and lotions without full knowledge of their effects. The attempt now to confine this is a good measure. I hope doctors will pay heed to it. I hope also that drug manufacturers will be required to provide more information on the side effects of drugs that are developed and used for such purposes.

It seems to me that the minister's statement does not really cope with the underlying reason why people want to drop out of society, why they want to use drugs, why they want to create a false feeling within themselves, why they want to escape from the realities of the world. This action is simply a small patchwork program in light of the over-all problem. It is necessary to engage in an educational program, to try to explain and to get people to understand what the realities of life are all about, and not just approach the problem by using one drug as a substitute for the other.

I wish that the minister had taken the course in this statement—it is long overdue—of rejecting the proposal in the LeDain Commission report which suggests that we give a semi-legal status to heroin so that as a last resort, whether it be in specialized clinics or elsewhere, a heroin addict who fails to agree with the methadone treatment program can get heroin itself. That recommendation should have been rejected by the minister as soon as it was made. The absence of any comment in this document on this matter means two things. The moment the LeDain Commission recommendation was made with respect to classifying or giving heroin some sort of semi-legal status, it was applauded by every heroin addict in the country because they foresaw the prospect of being able, in time of short supply of heroin, to proceed to treatment centres and get free fixes to carry them over a period of time until the supply increases.

I know that you are getting apprehensive about the time I am taking, Mr. Speaker, but to me this is an extremely important matter which was left out of the statement and should have been in it. I will only be a moment more, if I may.

The other point is that a number of young people in our society are on the borderline; they are unsure whether they should try heroin, having used other drugs. When the LeDain commission report on treatment came out and gave some sanction in its recommendations to the use of heroin, a number of young people in this nation in the drug scene said: This is fine, heroin is O.K., it has the endorsement of the LeDain commission.

Some addicts in the city of Vancouver whom I know, people in the addict world and people trying to do something about it, know that a number of youngsters applauded that recommendation. They were unable to draw the distinction between the commission report and government policy and began trying heroin themselves because it had some sort of semi-legal sanction. Every day the minister delays in rejecting that concept he is contributing to the growing population of youngsters who are trying heroin. I wish the minister would abandon this insignificant patchwork program and out of his conscience do something worth while for a change instead of announcing such piddling measures.

• (1130)

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I would like first of all to thank the Minister of National Health and Welfare (Mr. Munro) for the measures announced today to control the abuse of methadone and amphetamines.

We are particularly happy about the valuable and essential co-operation of medical associations. Without their powerful participation, the announcement made today by the minister would only be empty words.

That measure announced today will have the effect of restraining the "official" availability of those particular drugs, but as the minister himself recognized it, that does not affect at all use of those drugs by addicts who get them from illicit sources. There lies the main weakness of governmental action with regard to the control of the distribution and illegal consumption of various drugs in Canada, specially among the young.

Today's statement, Mr. Speaker, should not make us forget what the federal government did in that field.

Indeed, an official OPTAT inquiry revealed the following:

A comparison of results obtained in 1969 and 1971 shows that:

Consumption of barbiturates has tripled and that of hallucinogens other than LSD almost tripled:

Consumption of marijuana and LSD had more than doubled;

It has increased by a third in the case of stimulants and tranquilizers;

It has increased by almost one tenth in the case of alcohol and tobacco;

the proportion of a glue consumers was the same in 1971 as in 1969.

Consequently, government action in that sphere is still pending, and statements in fact merely constitute a control of official prescriptions but in no way—which is more serious—do they affect illegal consumption.

In closing, I quote an excerpt taken from an article published in *La Boussole*, of Nicolet, on December 11, 1968:

Here is what Dr. Homes had to say during a panel discussion at which the medical profession was recognized as a leader in the fight against toxicomania:

"Although we usually speak of toxicomania as a disease, it is more specifically the symptom of a disease rooted in social and economic conditions that tend to create dissatisfaction, sadness, conflicts and tensions in the very soul and spirit of human beings.

This means that one of the greatest experts in this field states that the source of that insecurity is ascribable to the social insecurity from which young Canadians are suffering at the present time. Neither the family nor other voluntary organizations dealing with drugs can do any-

thing about it, since the federal and provincial governments are primarily responsible for that economic and social security.

In this regard, Mr. Speaker, so long as the federal government merely takes steps in co-operation with medical organizations and associations to control consumption and distribution of drugs legally prescribed, so long as it does not take any drastic steps to control unlawful consumption and distribution, so long as it fails to take economic and social measures enabling young Canadians to live in economic and social security, so long as it continues marking time on this issue, the government will be channeling Canadians towards the use of drugs.

That is why we are concerned with the government's attitude, its apathy, its complacency in regard to the findings of the LeDain report. We are anxious to know, at the earliest, the position of the government which is hedging behind the report for the purpose of obtaining the votes of young people, whereas I consider saving these young people and giving them security to be more important than securing their votes.

* * *

[*Translation*]

INDUSTRY

FOOTWEAR— TABLING OF STUDY ON MARKETING

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, to comply with the request of several hon. members and in accordance with Standing Order 41(2), I should like to table in the two official languages copies of a study on marketing in the Canadian footwear industry.

* * *

[*English*]

TRANSPORTATION

RAIL FREIGHT RATES, ATLANTIC PROVINCES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Charles H. Thomas (Moncton): Mr. Speaker, pursuant to Standing Order 43 I ask the unanimous consent of the House to propose a motion on a matter of urgent and pressing necessity to the Atlantic provinces. It arises out of the latest increase in rail freight rates, the eighth in the past 29 months, and the imminence of a further 2.5 per cent decrease in subsidies and a corresponding increase in freight rates. Since these increases have worked hardship on industries in the area and are prejudicial to the public interest I would move, seconded by the hon. member for Cumberland-Colchester North (Mr. Coates):

That this House urge the government to immediately impose a freeze on rail freight rates until a new Atlantic transportation policy, embodying the proposals of the twelfth report of the Standing Committee on Transport and Communications, is formulated.

Mr. Speaker: This motion requires the unanimous consent of the House. Is there consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. Fortin.]

Mr. Speaker: There is not unanimity and the motion cannot be put.

ORAL QUESTION PERIOD

THE CANADIAN ECONOMY

UNEMPLOYMENT FORECAST FOR YEAR—FURTHER STIMULATION OF PRIVATE SECTOR—MEASURES TO OFFSET U.S. DISC PROGRAM

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, may I ask the Minister of Finance, now that he has been in his new post for some time, a question of great public interest. Would he give us his forecast with regard to the rate of unemployment in Canada for the balance of the year? Can he give us his forecast as to the amount by which unemployment will be reduced by the end of 1972?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I expect to deal with that subject later today in the Throne Speech debate.

Mr. Stanfield: I beg your pardon?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I ask the hon. gentleman to wait. I expect to deal with that subject later today in the Throne Speech debate.

Mr. Lewis: There is no guarantee that the minister will.

Mr. Stanfield: Mr. Speaker, I am prepared to wait hopefully. May I ask the minister during the course of his participation in the Throne Speech debate, and now that he has had a full opportunity, as I am sure he has, to study the recent report of the Economic Council of Canada, he will indicate whether he is satisfied that investment in the private sector in Canada requires further stimulation in order to achieve satisfactory employment results?

Mr. Turner (Ottawa-Carleton): Again, Mr. Speaker, I will be dealing with that. However, I think the report to which the hon. gentleman referred was itself cautious in that it recognized that the results of the survey were affected by the widespread uncertainty at the time that the mid-October survey was conducted. The report or survey of the Economic Council said that the trends indicated were susceptible to substantial change in response to the alteration in business conditions and the economic outlook. I remind the hon. gentleman that two key developments occurred after that survey was taken. They are the October 14 announcement of new economic measures by the government and, second, the international agreement on exchange rates.

Mr. Stanfield: Mr. Speaker, I had hoped that the new minister would not exhibit the deplorable complacency that the Prime Minister exhibited yesterday.

Mr. Speaker: Order, please. We have not yet reached the debate. We should ask questions and give answers at this time.

Mr. Stanfield: Mr. Speaker, we have not reached the debate but we have been given the runaround for quite a while on this question.

Some hon. Members: Hear, hear!

Mr. Stanfield: Mr. Speaker, I want to ask the minister specifically whether he is now prepared to assure the House, either now or when he speaks later, that Canadian industries will be put in a position to compete with American industries which are to receive advantages under the DISC program? In other words, is the minister prepared to assure the House that he will bring in measures to countervail the effect of the DISC proposals in the United States and enable our industries to compete, invest money and create employment in this country?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I will be dealing with this subject later today. The hon. gentleman will have to make up his mind whether he is satisfied or not with what I say.

Some hon. Members: Oh, oh!

CONTRIBUTIONS TO ASSIST UNITED STATES TO CORRECT IMBALANCE OF TRADE WITH CANADA

Hon. George Hees (Prince Edward-Hastings): I have a supplementary question, Mr. Speaker. Has the government—

Some hon. Members: Oh, oh!

Mr. Hees: Quiet, please!

Mr. Speaker, has the government had an estimate made of the number of Canadian jobs that will be involved in the further contributions which this government has said it is willing to make in order to help the United States government correct the temporary imbalance of trade it is experiencing with Canada at the present time?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, we are watching that situation closely. I want to say to the hon. gentleman that I look forward to a good deal of non-partisan support and advice from him.

Some hon. Members: Oh, oh!

Mr. Hees: May I ask a further supplementary, Mr. Speaker, following that non-answer. As the present rate of deterioration in Canada's balance of payments position with the United States makes it very clear that within the next three or four months we will be put again in a deficit position with the United States, does the government feel that the Canadian people should be called on to make the great sacrifice of the loss of a large number of jobs simply in order to placate the tough United States Secretary of the Treasury?

Mr. Speaker: Order, please. The hon. member for Saint John-Lancaster wishes to ask a supplementary.

Mr. Hees: Mr. Speaker—

Mr. Speaker: Order, please. The Chair has already recognized the hon. member for Saint John-Lancaster.

Mr. Hees: On a point of order, Mr. Speaker, I thought the minister was struggling to get to his feet to try to answer that very sensible and straightforward question. Might we have an answer?

Some hon. Members: Oh, oh!

Mr. Hees: Might we have an answer?

Some hon. Members: Oh, oh!

Mr. Hees: This minister will be just the same as answerless Ben.

An hon. Member: Sit down, George.

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, may I ask a supplementary question of which I gave the minister notice. Will the minister be announcing in his speech today the new look in respect of the officials of his department that has been intimated? Will there be a change in the deputy minister who is responsible for policies that have not worked?

Mr. Speaker: Order, please. The question as asked is not in order.

Mr. Hees: This guy will be worse than Ben.

* * *

• (1140)

[*Translation*]

ADMINISTRATION OF JUSTICE

RELEASE OF YVES GEOFFROY FROM ST. VINCENT DE PAUL PENITENTIARY—REASONS FOR MARRIAGE OUTSIDE PRISON

Mr. David Lewis (York South): Mr. Speaker, I wish to ask the Solicitor General a question based on the documents he tabled in the House Tuesday night.

Since Mr. Geoffroy's application did not specify whether the marriage was to be celebrated outside the institution, and since the two reports that the minister tabled refer to a marriage within the institution, could the Solicitor General say when and how the request was made for the marriage to take place outside the institution?

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, I do not know the exact date when this occurred, but the agreement was made between Mr. Geoffroy and the classification officer. The latter submitted the application to the internal committee of the institution which is made up of 16 members, 11 of whom took part in the proceedings that morning. The members of the committee approved of the leave unanimously. There was only one vote, and it was on the question of granting leave for 72 hours or 50 hours and eventually it was decided to grant 50 hours.

Some hon. Members: Oh, come on, come on.

Mr. Goyer: Are you interested in learning the truth? The whole question was referred—

[*English*]

Some hon. Members: Oh, oh!

Mr. Speaker: May we have order, please. The minister should be given the opportunity to reply to the question.

[*Translation*]

Mr. Goyer: The whole question was referred to the director of that institution, Mr. Brennan, and he gave his final approval.

That has been done in accordance with the rules of the Canadian Penitentiary Service. Consequently, at least 14 persons did take part in that decision. And they were unanimous.

RELEASE OF YVES GEOFFROY FROM ST. VINCENT DE PAUL PENITENTIARY—REQUEST FOR TABLING OF OTHER DOCUMENTS

Mr. David Lewis (York South): Mr. Speaker, I would like to ask the minister a supplementary question.

Are there other documents, such as another request by Mr. Geoffroy, that include the decisions made by the authorities and, if so, would the Solicitor General be prepared to table them in the House?

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, quite obviously the decisions that have been made have been put on record. As to whether those documents should be tabled, that would be, in my opinion, an infortunate precedent and I certainly hesitate to do it. I wonder why the hon. member challenges my word.

[*English*]

Mr. Lewis: Perhaps I shall be better able to express myself in English on this point of order, Mr. Speaker. It is only a guilty conscience which could suggest I was questioning the minister's honesty.

Mr. Speaker: Order, please. The hon. member says he has a point of order. I hope he will express it.

Mr. Lewis: With great respect, I do not often abuse the rules and I do not intend to do so now. I think I am entitled to the opportunity to say to the Solicitor General, through you, that only a guilty conscience could have suggested that my question in any way impugned his honesty. In view of the disclosures in the documents to which I have referred, when everyone concerned, the director, the head of the education department, the chaplain, the social service worker—

Mr. Speaker: Order, please. The hon. member might indicate the basis of his point of order. It seems to me he is entering upon a debate with the minister. He should indicate why he feels there is a point of order and I will make a ruling on it.

Mr. Lewis: There are really two points involved. Perhaps it would have taken less time had I been permitted to finish my remarks. The first is that my question did not impugn the veracity of the minister in any way. The second concerns the tabling of further documents. I say that in view of the fact the documents the minister has tabled show that everyone concerned assumed that the marriage would take place inside the penitentiary, and in view of the fact that the marriage was, in the event, allowed to take place outside, with the consequences of which everyone is aware, it is only right and proper that a Member of Parliament should request the minister to table and that the minister should table all other documents connected with the matter so that we may know what happened.

Mr. Speaker: That is still not a point of order.

[*Translation*]

RELEASE OF YVES GEOFFROY FROM ST. VINCENT DE PAUL PENITENTIARY—REQUEST FOR JUDICIAL INQUIRY

Mr. Martial Asselin (Charlevoix): Mr. Speaker, I have a supplementary question.

Considering that the whole Geoffroy affair is becoming more and more obscure and that, obviously, the minister finds it difficult to give any information, I would like to know why he persists in refusing to have an impartial judicial inquiry made into the matter.

Mr. Speaker: That question is surely out of order. The hon. member wants to know why the minister stubbornly refuses to make such a decision. In those terms, the question is surely out of order.

Mr. Asselin: I would like to redraft my question, Mr. Speaker.

Does the minister feel that, in order to settle this matter, an impartial judicial inquiry should be ordered?

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, there is nothing obscure in this whole affair. The truth has been stated. If the hon. member does not believe me, Standing Orders may be invoked, and I am willing to abide by them.

In any event, I believe it has been admitted that a mistake has been made and, unfortunately, following this incident, the success of a progressive program within our prison system will be compromised, because a mistake has been made, and I ask what facts—

RELEASE OF YVES GEOFFROY FROM ST. VINCENT DE PAUL PENITENTIARY—INQUIRY RESPECTING CONTENTS OF DOCUMENTS TABLED

Mr. André Fortin (Lotbinière): Mr. Speaker, I have a question for the Solicitor General.

Since Mr. Geoffroy was actually convicted of strangling his first wife and was granted parole for the explicit purpose of remarrying, could the Solicitor General explain the content of some of the documents he tabled? First of all, were psychiatrists consulted, and how many times? If so, what did they recommend? Were their services requested by the Parole Board or by officials of the penitentiary?

Hon. Jean-Pierre Goyer (Solicitor General): There have not necessarily been consultations with psychiatrists. There were consultations with religious authorities who approved the marriage.

[*English*]

RELEASE OF YVES GEOFFROY FROM ST. VINCENT DE PAUL PENITENTIARY—METHOD OF TAKING DELIVERY OF PASSPORT

Mr. Robert McCleave (Halifax-East Hants): My supplementary, Mr. Speaker, is directed to the Secretary of State

for External Affairs. Can the hon. gentleman say whether the fake passport apparently used by Geoffroy was called for or whether it was mailed and, if it was called for, whether any identification was asked of the person picking up the document?

Hon. Mitchell Sharp (Secretary of State for External Affairs): The application was mailed and the passport itself was mailed to the address on the application form. It was obviously not picked up by Mr. Geoffroy.

An hon. Member: Are you sure?

Mr. Sharp: I would have to make inquiries to find out who did pick it up. I shall endeavour to obtain the information for the hon. gentleman.

Mr. McCleave: A further supplementary to the Secretary of State for External Affairs. Can he tell us whether his department was asked to deal with visa applications by anyone using the fake passport in Geoffroy's case?

Mr. Sharp: Visas are not issued by the Canadian government except, of course, for entry into Canada, and obviously they did not want to move in this direction.

Some hon. Members: Oh, oh!

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ROYAL CANADIAN MOUNTED POLICE

PURPOSE OF RECEPTION IN MOLSON'S BREWERY FOR CERTAIN OFFICERS

Mr. Frank Howard (Skeena): I should like to direct a question to the Solicitor General. Can he explain to the House the purpose of the reception given in mid-January in Molson's Brewery in Montreal for a number of RCMP officers? This reception was sponsored by the government. Can the minister explain what that was all about?

• (1150)

Mr. Speaker: Order, please.

Mr. Howard (Skeena): Could I rephrase the question?

Mr. Speaker: The hon. member might rephrase the question, but certainly in the way it has been asked it might very well be the kind of question that should be placed on the order paper.

Mr. Howard (Skeena): The urgency of the matter requires an answer now, Mr. Speaker, and putting it on the order paper would not achieve that result. Would the Solicitor General mind checking to see whether such a reception was held and relate the circumstances of it to the House? At the same time, would he indicate why he was not there, or was it held without his knowledge?

Mr. Speaker: Order, please.

PETITION FROM EDMONTON CITIZENS PROTESTING CHANGE IN NAME

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is for the Prime Minister. Would the Prime Minister advise the House whether he has been informed by his office that a telegram has been received from some 11,500 citizens of Edmonton and area concerning the change in the designation of the Royal Canadian Mounted Police? If so, what has been his answer to that telegram?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the hon. member would indicate when the telegram was sent, perhaps I would be able to trace it. I have had no notice that such a telegram is in my office.

Mr. Lambert (Edmonton West): The telegram was dated February 22, and if the Prime Minister or anybody else wishes I am quite prepared to table it since I have referred to it. Here it is.

Mr. Speaker: Order, please. The hon. member knows that he cannot table the telegram.

Mr. Lambert (Edmonton West): Mr. Speaker—

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

Mr. Lambert (Edmonton West): Yes, Mr. Speaker. This is a document that has been referred to. It is not an extraneous object that is brought into the House contrary to the rules. This document is the same as a government document that is used for the purpose of reference.

Mr. Speaker: The hon. member is expounding a novel theory with reference to the tabling of documents. The hon. member for Greenwood.

* * *

IMMIGRATION

INQUIRY AS TO LEGISLATION TO REDUCE BACKLOG OF APPEALS

Mr. Andrew Brewin (Greenwood): Mr. Speaker, in the absence of the Minister of Manpower and Immigration I direct my question to the Prime Minister. In light of the fact that the government introduced a white paper on the subject of immigration proposing reforms in 1966, and in light of a very recent report by the immigration department signed by the present Minister of Justice which stated that measures were needed to correct the situation regarding the back-up of immigration appeals, is it the intention of the government to introduce legislation dealing with this vitally important subject at an early date?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I believe that the ministers who have been involved with this question in recent years have realized that we would either have to change the act or plug its loopholes, and the new Minister of Manpower and Immigration is giving attention to this problem.

Inquiries of the Ministry

HEALTH

MOBILIZATION OF RESOURCES TO COMBAT CARDIOVASCULAR DISEASES

Mr. Stanley Haidasz (Parkdale): Mr. Speaker, I would like to direct a question to the Minister of National Health and Welfare. In view of recent epidemiological studies which indicate that mortality and morbidity caused by heart disease and strokes have reached epidemic proportions, having taken the lives of 77,000 Canadians last year, I would like to ask the minister to inform the House whether he has any plans to mobilize all necessary resources and launch a national attack on cardiovascular diseases, Canada's number one killer?

Mr. Speaker: The hon. member will recognize that his question is somewhat wide in scope. If the minister can reply very briefly he will be allowed to do so, but normally the information sought should be given by way of a statement on motions.

Hon. John C. Munro (Minister of National Health and Welfare): I can reply briefly, Mr. Speaker. Yes, we are doing something to try to combat this disease, a very serious disease indeed. We are contributing over $1.5 million to combat this disease through the Medical Research Council to various medical educators and scientists all across Canada. We also contribute in this area through the health resources fund. We are also sharing projects with the Heart Foundation to combat this disease.

* * *

TRADE

CANADA-UNITED STATES AUTO PACT—POSITION OF UNIONS AND COMPANIES ON RETENTION OF CANADIAN SAFEGUARDS—RECONCILING OF STATISTICS

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, I should like to direct my question to the Minister of Industry, Trade and Commerce. As it now appears, or the impression is abroad, that the minister considers the two major Canadian safeguards in the United States-Canada auto agreement no longer of the major importance that they were when the pact was initiated, can the minister indicate whether this view is shared by the Canadian trade unions and the Canadian automobile corporations?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I know it is shared by the automobile makers, the manufacturers themselves. It is shared by all of them. I also know it is shared by many other people but they might not all say so in public.

Mr. Danforth: Since one of the main or apparent contentions is that the negotiations are based on a discrepancy between Canadian and United States figures regarding trade imbalance, has any progress been made between the two groups in reaching a common denominator in this respect?

Mr. Pepin: Mr. Speaker, my hon. friend is talking in terms of the trade balance in respect of merchandise in general, including automobiles, I assume. Efforts have been made in this regard. Mr. Stans, who was then secretary of commerce of the United States, came here a few months ago and we agreed on a procedure to be followed. Meetings have been held since and I am told that some degree of progress is being made in reconciling the statistics used on both sides of the border. I understand that if you look at exports and imports you have different sets of figures, and that efforts are being made to reconcile the differences and that certain progress is being made.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a supplementary question to the previous question.

Mr. Speaker: Order, please. The hon. member was recognized for the purpose of asking a supplementary to the question now before the House. If he has no supplementary at this time perhaps he could be recognized later. The hon. member for Selkirk has a supplementary question to the question now before the House.

Mr. Broadbent: A point of order, Mr. Speaker.

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

Mr. Broadbent: Yes, simply to clarify the point that I meant that I had a supplementary to the first question asked by the previous speaker.

Mr. Speaker: The hon. member for Oshawa-Whitby.

Mr. Broadbent: In terms of clarifying what the minister said in reply to the question, is he saying he has had explicit support from the heads of the automotive companies for the government's original intention to give up the safeguards in the Canada-United States automotive agreement?

Mr. Pepin: No, Mr. Speaker. I was very careful to answer the precise question that the hon. member for Kent-Essex put to me. His question was: Is it recognized that the two formal safeguards have no direct effect any more on the economic decision-making process in the automobile industry, or words to that effect. That is as I understood it, and my answer was that this is generally recognized by the manufacturers and has been said to me on a number of occasions. Then I implied strongly that other people also believe that but they will not say so in public for other reasons.

Mr. Broadbent: A further supplementary question, Mr. Speaker.

Mr. Speaker: Order. I will recognize the hon. member for Oshawa-Whitby for a last supplementary on this subject. Immediately afterwards we will go on to the next matter and I will recognize the hon. member for Compton.

Mr. Broadbent: Thank you, Mr. Speaker. Is the minister aware that the president of at least one of these corporations and the president of one other major producer of automobiles, I understand, have gone on public record as opposing any change in these safeguards?

Mr. Pepin: Perhaps one of them who has a particular problem might have said so. Sometimes he needs one of the safeguards and does not need the other, and we have had to make adjustments to accommodate him. I am sorry that this is so complicated. In his particular case he may

think that the safeguards have legal importance, but I was talking specifically about the economic decision-making process and whether a plant should be here in Canada or in the United States. My answer was that the two formal safeguards do not exercise any direct effect on the decision-making process in existence.

Mr. Speaker: Order, please.

Mr. Pepin: They may have a side effect—

[*Translation*]

Mr. Speaker: Order, please. I regret to interrupt the minister, but I feel that we should proceed to another subject.

* * *

• (1200)

REGIONAL ECONOMIC EXPANSION

POSSIBILITY OF GRANTING LOANS THROUGH INDUSTRIAL DEVELOPMENT BANK

Mr. Henry Latulippe (Compton): Mr. Speaker, I should like to put a question to the Minister of Regional Economic Expansion.

Would he say whether he intends to use the Industrial Development Bank in answer to the request of several businessmen who claim that the interest rates of the chartered banks are too high, and that it would be time to reduce them, because this is harmful to industrial and commercial development?

Hon. Jean Marchand (Minister of Regional Economic Expansion): I regret, Mr. Speaker, but industrial development does not fall within my jurisdiction.

[*English*]

POWER

PROPOSED JAMES BAY HYDROELECTRIC DEVELOPMENT—ESTABLISHMENT OF CABINET COMMITTEE OR OTHER CO-ORDINATING BODY

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I have a question for the Prime Minister. It relates to the proposed James Bay project of the government of Quebec. In view of the fact there is federal responsibility in several departments—Environment, Indian Affairs and Transport— has a cabinet committee or some other federal co-ordinating body been set up to consider this problem from the federal aspect?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, this question is being considered in the proper areas of government.

Mr. Aiken: Am I to take it from the answer of the Prime Minister that for the time being we should address our questions to the ministers involved in the particular aspects of this project?

Mr. Trudeau: Yes, Mr. Speaker.

Inquiries of the Ministry

PROPOSED JAMES BAY HYDROELECTRIC DEVELOPMENT—CONSULTATION WITH INDIANS AFFECTED

Mr. W. B. Nesbitt (Oxford): I have a supplementary question for the Minister of Indian Affairs and Northern Development. Has the minister consulted with the Indians now living in the province of Quebec who have been making violent objections to the whole James Bay project? If so, has the minister communicated this information to his colleague, the Minister of the Environment?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am pleased to inform the House that I am in constant contact with the Quebec Indian Association, that I met Chief Max Gros-Louis about this as recently as last week and Chief Delisle as well as Mr. Gros-Louis a few weeks before.

[*English*]

PROPOSED JAMES BAY HYDROELECTRIC DEVELOPMENT—DISCUSSIONS WITH QUEBEC BY INDIAN AFFAIRS MINISTER

Mr. Len Marchand (Kamloops-Cariboo): Mr. Speaker, a number of my questions have already been asked. Is the Minister of Indian Affairs and Northern Development also having discussions with the government of the province of Quebec about this very serious matter and expressing the view of his department as strongly as possible in these discussions? Also, is he prepared to give the Standing Committee on Indian Affairs and Northern Development a complete rundown on his discussions when his estimates come before that committee for examination?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I have already had the opportunity of speaking a couple of times to the Quebec Prime Minister as well as to the Minister of Industry and Commerce in that connection, the latter being to some extent responsible for the James Bay Development Corporation. During the consideration of my department's estimates in committee, I will be pleased to give to its members my opinion in this regard.

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[*English*]

REGIONAL ECONOMIC EXPANSION

REVIEW OF STRATEGIES—REQUEST FOR STATEMENT ON OBJECTIVES—NUMBER OF JOBS CREATED STILL IN EXISTENCE

Mr. James A. McGrath (St. John's East): I wish to direct a question to the Minister of Regional Economic Expansion. In light of the widespread scepticism in the financial community about the minister's DREE programs, the latest evidence of which can be found in the econonic report of the Provincial Bank of Canada, is the minister reviewing the strategies within his department and will a statement be made regarding the goals and objectives of the minister's programs?

Inquiries of the Ministry

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, I think the hon. member should read the very good article about my department in the *Financial Times* and he might then change his mind.

Mr. McGrath: I wish to ask a supplementary question arising out of the annual report of the minister's department wherein it is stated that grants under the Area Development Incentives Act are 22 per cent lower than last year's claim, representing a loss of 12,264 jobs. Is an investigation being made to determine how many of the remaining estimated jobs are still in existence?

Mr. Marchand (Langelier): Mr. Speaker, I will have to make an analysis to answer this. Do you not have people in the opposition who are interested in research?

Mr. Speaker: Order, please.

Mr. Marchand (Langelier): We pay for that.

Mr. Speaker: Order, please. The minister should address his reply to the Chair.

Mr. McGrath: A further supplementary.

Mr. Speaker: The Chair will recognize the hon. member for St. John's East on a last supplementary and then the hon. member for Broadview and the hon. member for Annapolis Valley.

Mr. McGrath: In view of the annual report of the minister's department wherein this wide discrepancy under the Area Development Incentives Act appears, I think it is incumbent upon the minister to give an undertaking that an investigation will be made to determine how many of the jobs created under this program are actually still in existence.

Mr. Speaker: Order, please. The hon. member is arguing in favour of his previous question.

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HOUSING

TALVIN PROJECT, HULL—SUGGESTED MEETING TO DEAL WITH PROBLEMS CONCERNING STRUCTURAL DEFECTS AND REPAIRS

Mr. John Gilbert (Broadview): My question is for the Minister of State for Urban Affairs. In view of the serious building problems concerning structural defects and repairs experienced by home owners of the Talvin housing project in Hull, Quebec, and the refusal or lack of communication by CMHC officials and the builder, and possibly the minister, will the minister agree to arrange a meeting with representatives of the home owners in this housing project and call to the meeting CMHC officials and the builder?

Hon. Ron Basford (Minister of State for Urban Affairs): I will inquire into it, Mr. Speaker. If a meeting will serve some useful purpose, I have no objection.

[Mr. McGrath.]

REQUEST FOR TABLING OF REPORT ON LOW-COST HOUSING

Mr. Andrew Brewin (Greenwood): I have a supplementary question, Mr. Speaker. Will the minister table in the House the report of the special task force which I believe has reported to him on the whole question of low-cost housing, in particular the financing of the rehabilitation of existing housing, co-operatives and non-profit housing? Will he table that report in the House?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, there have been a great many studies within the ministry and the corporation, the results of which will be reflected from time to time in legislation laid before the House.

[*Later:*]

Mr. Brewin: On a point of order, Mr. Speaker—

Mr. Speaker: The Chair will first recognize the hon. member for Greenwood on his supplementary or if he prefers, on his point of order.

Mr. Brewin: The point of order I was going to raise was that I directed a question to the Minister of State for Urban Affairs relating to a specific report of a task force. The minister made a general reply. Would he deal with my question about the task force report on low-cost housing which he has, which is available and which this House and the public should have?

Mr. Basford: Mr. Speaker, I am examining the very large number of studies and reports that have been made to determine which ones should be laid before the House and when. That is still being examined.

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REGIONAL ECONOMIC EXPANSION

NOVA SCOTIA LAND IMPROVEMENT PROJECT—PASSING OF ORDER IN COUNCIL

Mr. J. P. Nowlan (Annapolis Valley): My question arises out of one asked earlier by the hon. member for St. John's East and concerns a specific project within the jurisdiction of the Minister of Regional Economic Expansion. The minister has had some notice of this question. He gave me the courtesy of an answer, but in his reply this week he did not indicate whether the order in council authorizing federal approval for a land improvement project involving—

An hon. Member: Question.

Mr. Nowlan: I will come to the question in a minute, loudmouth. I appreciate some of the problems. I understand that the minister's department and Treasury Board authorized the land improvement project affecting all Nova Scotia which was submitted by the government of Nova Scotia. Has Treasury Board now passed the order in council? When can we have final approval by order in council for this project?

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, I do not think Treasury Board

passed this order in council. I do not think it has been approved yet by Treasury Board. I hope it will soon be approved.

* * *

[*Translation*]

POWER

PROPOSED JAMES BAY HYDROELECTRIC DEVELOPMENT—FEDERAL GOVERNMENT CO-OPERATION

Mr. Roch La Salle (Joliette): Mr. Speaker, I wish to direct a question to the Prime Minister.

In view of the numerous observations made by certain hon. members, and particularly of their interest in the James Bay project, I would like to ask the Prime Minister whether the federal government leaves to the province of Quebec the entire responsibility for the James Bay project and whether he is prepared to co-operate in so far as possible and to grant subsidies and loans?

Right Hon. P.E. Trudeau (Prime Minister): The question is complex, Mr. Speaker. Of course the establishment of hydroelectric services on a river within a province falls under the jurisdiction of that province. Still, such undertakings may have consequences in areas under the responsibility of the federal government, for instance on the Indian population, the financing method, the export of energy—if that is the intention—the establishment of means of transportation, if the provincial government waits for the federal government to build them. Now for all those reasons, we are interested in certain aspects of the project and it is those aspects that the government of the province of Quebec will have to discuss with the federal government if it wants to have our co-operation.

At present, the federal government has made no commitments.

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[*English*]

GOVERNMENT ADMINISTRATION

METHOD OF INVESTIGATION INTO LEAKING OF CABINET DOCUMENTS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is for the Prime Minister. Yesterday he told the hon. member for Prince Edward-Hastings that it had not yet been determined who is responsible for any of the leaks of confidential government documents. I should like to ask the right hon. gentleman what methods of investigation are now being used by the government in view of the fact that some of these leaks or disclosures took place a number of months ago?

• (1210)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the same methods as always have been used. I requested the minister of each department in which a leak might have originated to make an investigation in his department and, in cases where he felt it was within his responsibility, to discuss with the Solicitor General the importance in some cases of having the police pursue and investigation or otherwise—whether it should be pursued by the department itself with its own facilities.

Mr. Stanfield: I have a supplementary, Mr. Speaker. I should like to ask the right hon. gentleman whether there is any instance in which the matter has gone beyond the minister of the particular department and the Solicitor General has been consulted by a minister of the government with regard to any particular leak, if I may use that word.

Mr. Trudeau: Mr. Speaker, I would have to check to see if any minister in fact has brought in the police in any case.

Mr. Nowlan: Mr. Speaker—

Mr. Speaker: Order, please. The hon. member will be recognized for a brief supplementary. There are only two minutes left before the end of the question period.

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my supplementary is addressed to the Prime Minister. Since the four unnamed, undefined and impersonal monitors in the Solicitor General's department are to monitor security and problems of security within the country, does their jurisdiction extend to monitoring security within the government as a directive from the Prime Minister?

Mr. Trudeau: No, Mr. Speaker. I answered this question. When there is any suspicion of a leak within a department it is the minister of that department who makes the investigation. There is no over-all authority of the RCMP to go into a department and make an investigation of matters coming within the jurisdiction of the department.

Mr. Nowlan: On a supplementary—

Mr. Speaker: I wonder whether we might pursue the matter tomorrow. We are running short of time. The hon. member for Malpeque.

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AGRICULTURE

SUGGESTED DIVERSION OF POTATOES PURCHASED UNDER STABILIZATION PROGRAM TO STOCK FEEDING

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I should like to address a question to the Minister of Agriculture. What reply has he made to the Prince Edward Island Potato Co-ordinating Committee with regard to their request that potatoes purchased under the potato stabilization program be diverted at least in part to stock feeding?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I should like to reply very briefly. We are trying to work out a program which will be useful in this respect but, as the hon. member knows, these potatoes would be sold back at a very low price and we want to make sure that they do not wind up as table potatoes or as processing potatoes at that time. We want to be very careful also that we do not short the market and have to replace these potatoes.

Inquiries of the Ministry

Mr. MacLean: Will the minister be in a position soon to make a further statement on this matter and also on the request which has reached him from the Canadian Federation of Agriculture and other organizations regarding a subsidy on breeding hogs?

Mr. Olson: In respect of the first part of the question I hope so. I will look into the second question.

HOG DEFICIENCY PAYMENTS—SUGGESTED PRESS RELEASE TO RESOLVE CONFUSION

Mr. A. D. Hales (Wellington): Mr. Speaker, my question is directed to the Minister of Agriculture. Is it the minister's intention to issue a press release to help relieve the confusion that seems to exist among the hog producers of Canada when they apply for their deficiency payments? The confusion arises out of the word "other" in the program.

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, these forms obviously were printed before the announcement was made. As a matter of fact, as long ago as September I indicated there was a high likelihood of a deficiency payment being made and we did make up the forms and distribute them across the country. At that time we did not know on what level it would be paid and therefore all categories, including a category for "other", were included.

Mr. Hales: Mr. Speaker, when the minister is giving this information perhaps he might explain why the word "process" is spelled "precess".

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PENSIONS

OLD AGE SECURITY—INQUIRY AS TO MEASURE TO INCREASE BASIC AMOUNT

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare. Even though there is no mention in the Throne Speech of the subject of old age pensions may I ask the minister a question based on the statement he made several times during the last session that parliament could at any time increase the basic amount of the pension under the Old Age Security Act. Does the government intend to bring in such a measure during the course of this session?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, there is no intention in this regard, but I would remind the hon. member that the last time we dealt with this matter, about a year ago, we brought in the second largest increase in Canadian history.

Mr. Knowles (Winnipeg North Centre): Forty-two cents.

Mr. Speaker: Order, please. Orders of the day.

[Mr. Olson.]

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed, from Wednesday, February 23, consideration of the motion of Mr. Ross Whicher for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I am pleased to have the opportunity and privilege to take part in the debate on the address in reply to the Speech from the Throne. First, of course, I should like to express my deepest appreciation for the contributions made by the mover and the seconder of the address in reply. I am particularly interested in the fact that the Prime Minister (Mr. Trudeau) took the time to give some information regarding the hon. member for Bruce (Mr. Whicher). I note he indicated to the House that this member had sat in the provincial house from 1955, I believe, until 1967 and was then elected to the House of Commons in 1968.

When I listened to the hon. member's speech and then reread it I could readily understand why he was in the opposition in the Ontario Legislature for such a lengthy period of time. There are two particular statements I should like to bring back to haunt the hon. member. First of all, as recorded at page 9 of *Hansard*, he said:

Without any doubt I can say here this afternoon that the senior citizens of Canada have the benefit of the just society promised by our government.

Mr. Speaker, that is one of the more irresponsible statements I have heard since I have been here. I do not know where the hon. member lives or why he has not received the same type of mail I have received from these poor, frustrated Canadians, frustrated because of the attitude of this government in terms of lack of senior citizen housing, in terms of the high cost of living and in terms of removing the escalation clause in respect of the minimum old age security payment. These people constantly write to me and I am sure to all other hon. members. So far as I am concerned they do not believe they are living in a just society and they are not likely to do so in the very near future unless there is a change of government.

I should like to bring up another matter.

Mr. McBride: Oh, oh!

Mr. Alexander: There is the man of the cloth. I read the editorial about him. I will let my remarks stand. I support the editorial fully. It appears that the hon. member will not be back with us for the glory and edification of the people of Canada after the next election.

Let me quote another statement made by the hon. member for Bruce. As recorded at page 13 of *Hansard*, he said:

When the chips are down, the people of Canada will appreciate the good life that this government is allowing them to live.

I underline the word "allowing". Is that a responsible statement? I wonder whether in fact this is the fact. Is "Trudeaucracy" allowing the people of Canada to live? Let me set the hon. member straight because if they are living they are living in extremely adverse conditions. It is no wonder the Prime Minister has indicated he will not go to the people on his past record but rather intends to

concentrate on future plans. If we look at this matter of allowing people to live and the record of the government in terms of human frustration and alienation, we can readily understand why all of us wait with baited breath his announcement of the next election.

• (1220)

Just let me point out the dismal failure of the government in certain areas, and this must be repeated and repeated again because these are the issues about which people are concerned. This government is possessed of certain highs, such as high taxes, the high number of bankruptcies and lay-offs, the high payment they gave to old age pensioners amounting to 42 cents, and high unemployment. At present 665,000 are unemployed. The Prime Minister has said this is a regrettable side effect of the government's fiscal and monetary policies. What concerns me is the fact that those who are deserving and should be rewarded are not considered. There is the case of Mr. Vallières. For the life of me I do not know what was the philosophy behind hiring him, particularly when I hear the then Minister of Labour condone such action and tell us that this type of person is more worthy than Lord knows how many unemployed of whom there are about 10 per cent to 12 per cent in the province of Quebec. The minister has condoned this action and I for one do not accept it. This is the kind of climate in which we are living as a result of this government's involvement with the destiny of the people of Canada.

We have also had lows. There is the low in the confidence of Canadians in the government. There is the alienation that exists in the west. We all know about that because we have all travelled out west. There is also the alienation that exists in central Canada as a result of the rigidity of this government, and the alienation that exists in the Atlantic provinces as a result of this government being bankrupt of ideas to solve or reduce regional economic disparities.

Some hon. Members: Hear, hear!

Mr. Alexander: Of course there is also a new low in Canada-United States relations. But then I wonder what we can expect when we find that the Prime Minister on an overseas tour registered some concern vis-à-vis our American friends when he stated that he fears a cultural, economic and military take-over by that country. This is the gist of the message. We cannot wonder then at this new low in U.S.-Canadian relations and at the fact that Canadians have to suffer a little pain. We should reiterate and re-emphasize to our American friends that we are their best trading customers. We must tell them that if we have to suffer any pain they in turn will suffer pain also as a result of their economic policies that hamstring us.

I should like to make a few comments with regard to the employment record of this government. The Prime Minister, in his reply to the Leader of the Opposition (Mr. Stanfield) the other day, had much to say about gloom and doom. Surely it is the role of the opposition to point out the inadequacies and failures of this government. If in our words there is gloom, perhaps there is need for gloom when there are some 665,000 people out of work. It is not only the individual who is out of work that we have to consider but, as I have stated continually, we have to go down the ladder and consider the bus driver, the taxicab driver, the corner grocery store owner and the small businessmen whose livelihood depends on the income or lack of it of the 665,000. We get confused and we say that there are only 665,000 people out of work, but this is the nitty-gritty of our economic stability because without these people being able to purchase goods and services the economy founders.

On page 2 of *Hansard* for February 17, 1972 there is a reference in the Throne Speech to "our success . . . in the creation of new jobs". The next day the Prime Minister expanded on this theme and said:

> The large number of new jobs being created in Canada should not be overlooked.

If anyone is overlooking anything, it is the Prime Minister; he is the one who is ignoring facts. The Economic Council of Canada has estimated that during the period from 1970 to 1975 the rate of employment growth needed to absorb the labour force growth and to reduce unemployment to about 4 per cent would be about 3.3 per cent per year. In 1970 employment increased by 1.3 per cent, and in 1971 employment increased by 2.5 per cent. Only 299,000 jobs were created in 1970 and 1971 together—a mere 21 per cent of the 1.4 million we need by 1975. Accordingly, there is a gap of 1.1 million jobs to be bridged in the next three years if we are to reduce unemployment to a more acceptable level.

What does this shortfall in job creation mean in human terms? It means that only 64 per cent of all labour force entrants in the past two years have found jobs. It means that only half of all men entering the labour force between the beginning of 1970 and the end of 1971 found jobs. It means that only 46 per cent of all young people entering the labour force in these two years found jobs, which is tragic, to say the very least.

Since the Prime Minister took office at the beginning of May, 1968, employment has risen by 5.5 per cent, the labour force has shot up by 9 per cent and consequently unemployment has almost doubled, rising from 366,000 in May, 1968, to the present figure of 665,000 in January, 1972. This is the record on which the Prime Minister wants to stand. This is the record about which he boasts.

The Prime Minister admonishes Canadians not to overlook:

> . . . the fact that, between 1965 and 1970—the last period for which statistics are available—over one million new jobs were created in Canada.

Perhaps this is the problem with the government's policies on unemployment. The Prime Minister is now aware that Canada's employment and unemployment figures are available right up to January, 1972, and consequently he is acting on the basis of long outdated figures. Canada's job creation, the Prime Minister continues, was much faster than in other countries between 1965 and 1970. Maybe this is true, but few other countries in the world have a labour force growth as rapid as Canada's and few have an unemployment rate as high as Canada's.

The Organization for Economic Co-operation and Development published in May, 1970, their projections for needed employment growth in their member countries between 1970 and 1975. These projections show that Canada was far ahead of all other industrial countries in

the need for employment growth during the decade. I repeat, Mr. Speaker, that these projections show that Canada was far ahead of all other industrial countries in the need for employment growth during the decade. Between 1970 and 1975 Canada's needed employment growth was estimated at 15 per cent compared with only 9 per cent for the United States and no more than 5 per cent for any other country. Obviously, then, other countries in the 1970s do not need to aim as high in employment growth as does Canada because their labour forces are not growing as fast. This is the point that I believe the Prime Minister deliberately missed. Therefore, Mr. Speaker, the Prime Minister's pleasure at Canada's employment growth rate is rather hollow and meaningless.

• (1230)

Of more relevance is another figure, the ratio of unemployed people to vacancies in various countries. The most recent figures in this regard are for the third quarter of 1971. They show that in the European countries the Prime Minister referred to in his reply to the Leader of the Opposition, being Belgium, France, Sweden, Germany, the Netherlands and the United Kingdom but excluding Italy for which there were no job vacancy figures, there is a vast difference in the competition for available jobs. In these European countries there were only 1.3 unemployed persons competing for each vacant job whereas in Canada at the same time there were 10.6 unemployed persons competing for each vacant job. Quite a difference in this regard.

There is another way to view the Trudeau employment record, and that is by comparing the rate of growth of employment, the rate of growth of the labour force, and employment rates during the Trudeau years with the records of previous Canadian governments. There were several years in the pre-Trudeau era which managed a higher rate of employment growth and a lower unemployment rate even when the labour force was growing faster than today.

I refer you to the year 1966, Mr. Speaker, when we had an annual increase in the labour force of 3.9 per cent and an annual increase in employment of 4.2 per cent and an unemployment rate of 3.6 per cent. So we see that in 1966 Canada's employment growth was faster than anything in the Trudeau years. In spite of the fact that her labour force grew faster than in any year since, the unemployment rate was lower than any annual rate the Trudeau government has been able to show.

Rather than look at all these facts and at Canada's 665,000 unemployed, the Prime Minister prefers to tell the nation that every cloud has its silver lining. Why do the unemployment figures matter, he implies, when Canada's international record in employment growth from 1965 to 1970 is unsurpassed?

More than this, the Prime Minister has recently been repeatedly telling the unemployed that jobs are available but they are too lazy to get them. The great mining centres of Canada such as Sudbury, he says, are crying for workers. The fact that INCO has been planning and carrying out lay-offs for several months has done little to dampen his enthusiasm for this approach to the unemployment problem. The Prime Minister and his advisers, before he visits and insults the unemployed in this manner, at least in Ontario, should read the recently released report of the Ontario task force on employment opportunities for welfare recipients, especially page 67 where it is stated:

> There is comparatively large-scale unemployment now affecting all areas of the province, if not to the same extent elsewhere, to the extent that no area has a shortage of labour.

Sincerely, Mr. Speaker, Canadians have heard enough of the Trudeau government's misleading figures and its excuses.

Some hon. Members: Hear, hear!

Mr. Alexander: Canadians need and want a comprehensive set of policies to deal with the problem, not a re-run of the old rhetoric that tries to sweep the problem under the rug and away from the government's hands. "Out of sight, out of mind" seems to be the Trudeau government philosophy toward unemployment.

I understand that the Minister of Finance (Mr. Turner) wants to speak immediately after me. Perhaps he will give some indication of the industrial policy that the government intends to implement in order that we can have economic growth and full employment. I should like to hear what the Minister of Finance has to say about full employment. As I said, "out of sight, out of mind" seems to be the Trudeau government philosophy toward unemployment and every statement in the throne speech is dedicated to that end.

The present Canadian ills of high unemployment and rising prices are the products of the anaemic and petty economic policies of the Trudeau government. The issue now is whether those policies are changing. I do not believe they are.

I know that the Minister of Finance is waiting most anxiously to state the direction in which this great country should be pointed under the present regime and we are waiting with bated breath for his speech. I know that the former Minister of Justice in his new position as Minister of Finance will display the same compassion and the same humanitarian feeling toward the Canadian people as he has in the past.

Some hon. Members: Hear, hear!

Mr. Alexander: This is what we are talking about—people. I know the Minister of Finance is concerned and what he has to say to us this afternoon will be on the record for the edification of all of us. I hope the recent change in the finance portfolio is of some significance.

I should like to tell the minister of a meeting I attended in the city of Hamilton not too long ago. I hope other members will have the same sort of meeting because I found it most gratifying, informative and interesting. The labour community was invited but unfortunately did not see fit to attend. If we want to move toward some co-operation, negotiation and understanding between labour, business, government and management, I am at a loss to understand why labour did not attend.

The businessmen were concerned because they were being bombarded by an excessive amount of legislation that, as they said, left them no time to run their businesses. They placed great emphasis on the tax bill which was recently implemented by closure; they also placed great emphasis on the competition bill and its dire effects,

with particular reference to the tribunal. They referred to the labour bill with its features regarding technological change and referred to high management being unionized. They were concerned about the poor draftmanship in these bills. In at least one instance, the tax bill recently forced upon us, I know this is to be true. We know that the bill is not in a perfect state and that amendments have been made to amendments to amendments and that there will be further amendments. But the government has the gall to say that they have removed any uncertainty from the business sector and from the private sector, meaning the individual. How can there be any confidence, how can they say that there is no uncertainty when there are still amendments pending?

Another point they brought up, Mr. Speaker, is the fact that this government does not listen to the points brought out in the briefs submitted. They hear the phrase "participatory democracy" and are invited to send their briefs, but they indicated to me that they believe this means nothing because the briefs are thrown in the wastepaper basket. I have already said that all the brains in this country are not in the House of Commons.

Mr. Bell: Not on the other side, anyway.

Mr. Alexander: There are brains outside this place; as a matter of fact, there are more outside than inside. The government would be well advised to pay more attention, and particularly the hon. member for Lanark-Renfrew-Carleton (Mr. McBride). I told the House what is going to happen to him. Another matter they were concerned about was the philosophy of this government. They do not know what that philosophy is.

An hon. Member: They don't have one.

Mr. Alexander: I cannot tell you. I want you to tell the Canadian people. What is your philosophy? Where are you going?

Some hon. Members: Hear, hear!

Mr. Alexander: Where are you going? You have the whole country upset and frustrated about what Canada is going to be like in the next six years.

Mr. Crouse: They are going out in the cold; that is where they are going.

Mr. Alexander: Mr. Speaker, I want to let you know that Hamilton is concerned about the economic climate. As an industrial city it is extremely concerned, obviously, about the type of legislation that is introduced, the philosophy behind it and whether it provides any incentives. We do not think that the government has thought about this. I hope the new Minister of Finance will take everything under review and that past mistakes will not be used as a basis for any new philosophy he may develop. That is what concerns me.

• (1240)

At the significant finance ministers conference in Jasper the Minister of Finance made it clear that he really does not have the intellectual baggage to explain new mistakes with new rationales. He decided, instead, to settle down and carry the flag of chronic errors and shortcomings. The minister said he was going to undertake a study in order to find new ways to control inflation. Such a study is certainly called for. We have not yet seen any of the research studies of the Prices and Incomes Commission. Undertaking them was one of its primary responsibilities. Also, Mr. Speaker, we have experienced two and a half years of mass unemployment because the government decided to fight inflation the old way.

Inflation has appeared again and unemployment is massive. Are we to repeat past erroneous policies or introduce a new policy? In Jasper this matter was clarified. More retainers may be paid and more research studies undertaken, but the underlying policy is not about to change. I hope the Minister of Finance will correct me if I am wrong in this regard. I hope he will indicate I am wrong. The minister of Finance made it clear that he believes inflation at present is primarily caused by excessive demand pull. He said that there should be a moderation in the government sector. While the provinces and most advisers disagree, the Minister of Finance made it clear that, even though 665,000 are unemployed, accelerated economic expansion should be rejected. Furthermore, he repeated the ill-advised and malicious proposition that governments must continue trading off jobs to control prices. He said:

> We have to watch very carefully now the balance between the problem of unemployment and the problem of rising prices.

I hope he will explain that.

Mr. Turner (Ottawa-Carleton): On a point of order, Mr. Speaker, I wonder whether the hon. member would be good enough to distinguish between what I said and reportorial remarks attributed to me in the article.

Mr. Alexander: Mr. Speaker, I know the Minister of Finance will shortly be delivering his speech. He can correct me and point to any errors I have made. He said that his goal is to provide a job for every Canadian willing to work but that the speed with which this goal is reached must be consistent with stable prices. The minister hardly expressed himself in the hottest of prose; yet the message was clear: "Play it again, Sam, the old way." Why must this be so? Why can we not have a Liberal government with a new policy? Surely it is not sticking to the old policy because the old policy has proven to be right. Everyone, from Richard Nixon to Paul Hellyer, from Mel Watkins to René Levesque, knows it has not worked and that it will not work. We will not get price stability by operating away below potential and tolerating high unemployment. The only consequence of that policy has been human misery, national disunity and the exaggeration of those very structural faults that produce chronic inflation.

Why is the government adopting that position? Surely the reason cannot be that this government is cold and indifferent. After all, we must assume the Minister of Finance wants to be liked and that the Prime Minister would rather be loved than hated. I suggest, Mr. Speaker, that we can achieve stable prices within a strategy of full employment. We can reduce the differences in incomes and employment between all the regions. We can have a more just society. There is a will in this country, and there are resources and policies available to accomplish this goal. All that is required is a co-ordinated federal effort and the confidence of the private sector. I suggest that

remarks such as that the premier of a province is a bigot will not help.

Some hon. Members: Hear, hear!

Mr. Alexander: I am about to finish, Mr. Speaker, in case your patience is becoming exhausted.

Mr. Turner (Ottawa-Carleton): No, go on until one o'clock.

Mr. Alexander: The difficulty is that this government is worn out. It does not have the energy or confidence to choose a new course. It is a government that can no longer take initiatives beyond the pork barrel. Mr. Speaker, this country is sick and tired of style. It wants content.

Some hon. Members: Hear, hear!

Mr. Alexander: When I think about style, I think about what that style has meant, Mr. Speaker. It has meant that the Prime Minister has called several members bums and idiots and said to western farmers: "Why should I sell your wheat?". Style has meant the use of words like, "Mange de la merde". When some young chaps dared to question the Prime Minister he is reported to have said, "I will kick your posteriors." That is what style has meant. It has also meant that he has called Members of Parliament nobodies. All this is the result of style. When the Prime Minister shows disdain for parliament, is that style? Of course, the fuddle-duddle matter need not be gone into at great length. Style has also meant that the Prime Minister has called the prime minister of a province a bigot. You certainly will not make provinces co-operate in that way.

In view of all this and in view of the lack of strategic policies I move, seconded by the hon. member for Moncton (Mr. Thomas), that after the words "Houses of Parliament" in the main motion there be added the following:

but we find intolerable the utter failure of this government to bring forward a decisive policy to achieve full employment and the continuing uncertainty and hesitancy in the economy because of the chronic indecisiveness of this government.

Mr. Speaker: Order, please. I must advise the hon. member that I have some doubts about the procedural acceptability of his amendment. It is well known that there cannot be two amendments in the same debate which cover the same specific area. I do not want to be difficult about the matter, and if there are really no objections I am prepared to accept the amendment. I think I must warn hon. members that when one amendment has been voted on hon. members cannot come forward with a similar amendment in the same debate. One amendment having been voted down, hon. members cannot, in the same debate, come forward with a second, similar amendment. I think hon. members should be careful not to bring forward a second amendment that is substantially the same as the first one.

Having said this, but not wanting to be difficult, I will put the amendment to the House if no procedural objection is raised. Is there any objection? There being no opposition to the motion, I propose to put it to the House.

Mr. Fairweather: No one is suffering from a fire in the belly.

[Mr. Alexander.]

Mr. Speaker: The hon. member has not submitted the amendment in proper form. His proposed amendment begins with the words, "but we find intolerable", etc. The amendment should be proposed in its full terms. It is difficult for me or for the Table to determine exactly what words the hon. member would like to remove.

Mr. McBride: And those people want to run the country.

Some hon. Members: Oh, oh!

Mr. Alexander: Mr. Speaker, may we have a little quiet from the other side. I am sorry for the inconvenience which has been caused.

An hon. Member: And you people want to run the country.

Mr. Alexander: I am sorry for the inconvenience that has been caused, Mr. Speaker. I believe I indicated that I was moving, seconded by the hon. member for Moncton, a motion to the following effect: that immediately following the words "Houses of Parliament" there be added those words in the motion as printed.

Mr. Lambert (Edmonton West): That is quite in order.

Mr. Speaker: I understand that the hon. member's motion is to be added immediately after the words "Houses of Parliament" and reads:

but we find intolerable the utter failure of this government to bring forward a decisive policy to achieve full employment and the continuing uncertainty and hesitancy in the economy because of the chronic indecisiveness of this government.

• (1250)

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I welcome the opportunity which this debate affords me of speaking to the House for the first time under my new responsibilities as Minister of Finance. Moreover, I wanted to face this chamber first, before speaking elsewhere.

With regard to the point of order which may have arisen as a result of the amendment put forward by the hon. member for Hamilton West (Mr. Alexander), may I say we do not want him or the House to feel that the reason we did not challenge its acceptability was that we accept the proposition inherent in that amendment. It was merely that, not having had an opportunity to help him draft it, we did not with to deprive the House of an opportunity to deal with the subject matter that he wished to introduce.

I should like to say at the outset how much I enjoyed the speech of the hon. member for Bruce (Mr. Whicher) who moved the address in reply. I think we all found it to be up to his style of wit. It was a telling, very pungent speech and I am sure members from all sides would wish to congratulate him on it.

Some hon. Members: Hear, hear!

• (1250)

[*Translation*]

Mr. Turner (Ottawa-Carleton): With regard to the speech made by the hon. member for Trois-Rivières (Mr. Lajoie), in support of the motion relating to the Address in Reply to the Speech from the Throne, I must say that his

debut in politics is full of promise and that everyone wishes him a successful career in the House not only now, but especially after the next election.

[*English*]

May I also, at the outset, thank Members of Parliament on both sides of the House who have been kind enough to write me, talk to me and offer me words of encouragement and friendship. I value my association with this chamber more than anything else and I shall try to live up to what confidence they may have in me and conduct myself in a way which will not descend into partisanship.

In assuming my new duties I am taking over from a colleague who has borne the burdens of this office for the last three and a half years. He has borne them with good humour, even temper, fortitude and a sense of resilience, and I am sure all hon. members would wish to join with me in extending him best wishes in his new role as Minister of National Defence.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): Before I get into the substance of what I have to say, it might be for the convenience of the House if I were to call it one o'clock.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, as a member of this government since it took office in 1968, and indeed of the previous government under Mr. Pearson, I have had close contact for some years with the economic and financial issues that confront us. While I am familiar with the problems, I recognize that I have a lot of homework to do on the matters that are the particular responsibility of the Minister of Finance.

I also recognize that I have a lot of hard thinking to do on the best means of dealing with the central economic and financial problems facing the country. I want to assure the House that about such questions my mind is receptive to the best counsel I can get from any quarter. I start from the premise that no one, nowhere, has a monopoly on wisdom. I begin with a good many convictions but with an open mind.

In my judgment, the first responsibility of this portfolio concerns the management of the Canadian economy as a whole. As I see it, the prime objective of economic management is to obtain the greatest increase in jobs, in production and in the real income of Canadians that it is possible to achieve on a continuing basis. Setting the objective of economic policy is easy; attaining that objective is immensely complex and difficult, judging not only from our own experience in this country but from the experience of all nations.

It is not a problem that will yield to simplistic solutions, solutions that ignore the realities of the world in which we live. In pursuit of this objective it is important to recognize that the Canadian economy does not operate in isolation nor in accordance with the dictates of Ottawa. On the contrary, the national economy is exposed to many forces both at home and abroad which restrict the federal government's ability to control the direction of that economy with infinite precision.

Ours is essentially a free enterprise economy, not one whose every movement is determined by the state. Certainly, the federal government will play the central role in guiding its course, but every day millions of Canadian consumers—workers, farmers, fishermen, businessmen, investors—make individual decisions in the marketplace which over time have a massive impact on the state of our whole economy.

[*Translation*]

Provinces and municipalities also have great influence. How much tax they levy, how much they spend, how much and where they borrow—all those decisions have a bearing on the workings of the economic system. Twenty years ago, those two levels of government spent only about 36 per cent of every Canadian tax dollar. Today the ratio is about 60 per cent. Now that provinces and municipalities spend half as much again as the federal government they are in a position where their impact on Canadian economic activity is substantial to say the least.

On the other hand, our economy is far from isolated from the rest of the world. We are probably more than any other nation influenced by the international economic environment. We are a trading nation by necessity, and 25 cents out of every dollar we make comes from abroad. In 1969, export of Canadian products yielded the equivalent of $653 for every man, woman, and child in Canada. Although Japan is considered as one of the world's great trading nations, its export revenues for the same year were only $187 per capita. Moreover, we are deeply affected not only by trade variations but also by the decisions of other capital cities and financial centres of the world. The actions of governments in Washington, Tokyo, London, Paris and Bonn, the decisions made by businessmen and financiers in New York, Chicago, Hambourg, Rotterdam and Zurich can all have a bearing on our prosperity here in Canada.

• (1410)

[*English*]

It must be recognized that there is a fourth and universal constraint on the ability of all governments to ensure that the economy achieves the desired course at all times. That constraint is the limit of knowledge. Medical men have not yet learned all there is to know about medicine, nor economists about economics, even though great strides have been made in both fields over the past several decades.

Some hon. Members: Oh, oh!

Mr. Turner (Ottawa-Carleton): I watched the eyebrows of some members opposite being raised. In my last portfolio of justice I was dealing with the imprecisions of the legal process. I now find I am dealing with imprecisions based on the varied biases of the economists. If I thought

there were imprecise concepts in my former portfolio, I find that imprecision is not unknown to the present.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): Despite substantial progress in developing policies and mechanisms for guiding the economy, it still remains difficult to determine with precision the state of the economy and its direction at any given time. It follows that there are always difficulties in determining what levers should be pulled, with what force, and at what exact time, in order to bring about a correction in the course of the economy. Then, too, there is the problem of the long and varying intervals between the application of a measure and its effects on the economic process. A further complication stems from the fact that during this intervening period, new and previously unforeseen forces may develop, requiring still further adjustments to be made.

These, then are the factors not within our control: Individual market decisions; the influence of the provinces; the vulnerability of our economy to world forces; the imprecision of the art of economics.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): As a result of all these elements, there are significant limits on the manoeuverability of a Minister of Finance and his ability to exercise precise control over the course of the economy. Anybody in my position who yields to the pretense of sounding omniscient is either a charlatan or a fool. I hope I never play this charade in the House or in the country.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): A good many of the decisions for which I now have a special responsibility will of necessity be based on predictions about how our own citizens and those in other countries will conduct their own affairs in the marketplace and about what action may be taken by the governments of other nations. Predictions take some skill, but they also take some luck. I hope that I will enjoy the necessary measure of both.

Despite the very real limitations on our ability to control the course of the economy, it has on the whole fared remarkably well over the course of the last decade and more. Throughout most of the 1960's, the Canadian economy experienced the greatest period of sustained expansion in its history. Like that of virtually every other industrial nation, our economy within the past few years has gone through a difficult adjustment period as a result of the heavy price and cost pressures that built up during the latter half of the sixties.

For me, the most painful aspect of this adjustment process has been the emergence of unacceptably high levels of unemployment. My first and most urgent priority is to provide continuing and well-paying jobs for those Canadians seeking work.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): Since the fall of 1970, the growth of our economy has been accelerating in response to the progressively stronger stimulus injected by the federal government, reinforced by the complementary policies of provincial governments. The real growth of the nation's output of goods and services during 1971 amounted to 6 per cent or more. An increase of this magnitude is almost double that of the previous year, significantly above the long-term growth trend, and more than that achieved by any other industrial nation in the world, including Japan. I expect that Canada's economic growth will be even faster in 1972.

I noted with interest, Mr. Speaker, that in the January issues of its "Business Review," the Bank of Montreal pointed out that one of the most marked phenomena accompanying changes in the rate of economic growth is the slowness with which expectations adjust to changes already under way in the economy.

Mr. Saltsman: I rise on a point of order, Mr. Speaker. I wonder whether the minister will accept a question at this time.

Mr. Deputy Speaker: If the minister wishes to receive a question, he may do so. I have to be guided by his wish.

Mr. Turner (Ottawa-Carleton): I would like to wait until after I have completed my remarks, Mr. Speaker. If the hon. member will have enough patience and I have enough voice, I will be glad to see what I can do.

Over most of the past year, the Review said, there was evidence of what is called a "recession syndrome", particularly among businessmen. The report continued:

> Adding strength to business pessimism during the past year, were the uncertainties arising from the very unsettled international financial situation, the establishment of the surcharge and other trade protection measures in the United States, and the avalanche of proposed legislation affecting business.

As a result, it was perhaps understandable, the Review added, and I quote:

> —that less attention would be given to the actual performance of the Canadian economy, which in spite of many prophecies of doom and gloom, displayed considerable resiliency as the year wore on.

I believe that the truth of the bank's observation about the growing strength of our economy is now becoming apparent to the great majority of Canadians. Certainly, there is a new-found sense of confidence in the economic outlook for the future among members of the business community now that there has been a realignment of currencies and the removal of the United States' surcharge. There is every reason to believe that this renewed confidence will lead to increased capital investment, a building up of inventories, and other spending by business, which, in turn, will provide a further stimulus to economic growth. In saying this, Mr. Speaker, I do not for one moment mean to suggest that we face no pressing economic problems today or in the days ahead.

We can have a strong expansionary economy, a rising GNP, strong retail sales, strong consumer spending, together with intolerable rates of unemployment. It has become quite clear that optimistic statistics are no answer to human problems. A priority of any economy must be the personal fulfillment of people. Statistics are no substitute for jobs.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): No economy works as well as it should if there are men and women who seek work and want it but who cannot find it.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): Our most urgent and pressing task is to bring about a substantial reduction in the level of unemployment. Our goal, our objective, must be the provision of a job to every Canadian who is seeking work.

I would not wish to mislead you or the Canadian people into thinking this goal can be easily or quickly reached. I would remind you that promises of miraculous resolution of economic problems are rarely fulfilled. I do wish to express my confidence that we will make good progress toward this objective in the year ahead.

For several years now, no other industrialized nation in the world has even come close to matching Canada's truly remarkable performance in creating new jobs for its people. In its way, the growth of employment in Canada is comparable to the fantastic growth of productivity in Japan, although it is far less often appreciated, particularly by Canadians. During the decade of the sixties, the rate of growth of new jobs created in Canada was nine times faster than that in Western Germany, nearly six times faster than that in Britain and four times faster than that in France. Canadian employment during that period also grew at a rate that was about 50 per cent higher than that in either the United States or Japan. While most recent comparisons are not available for all countries, it is a fact that employment grew three times more rapidly than the United States during the first two years of the seventies.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I thought you said statistics were not the answer.

• (1420)

Mr. Turner (Ottawa-Carleton): I fully recognize that statistics are no substitute for jobs. But if we are to deal in a realistic way with the manpower problems confronting us, I think it is essential to recognize how extraordinary they are in nature. They stem primarily from the fact that for a number of years Canada's labour force has been growing far more quickly than that of any other industrialized nation in the world. The Economic Council of Canada has estimated that between 1965 and 1980 the total increase in Canada's labour force in absolute terms will exceed that of Britain, West Germany and Italy combined by some 20 per cent, even though the present population of those countries is around eight times that of Canada. The problem in Canada is compounded by the severe impact of winter on employment in many fields, by the vastness of our nation and by the limited economic opportunities in some regions of the country. The quickening pace of economic growth is now absorbing more and more of our unused human and material resources. As the expansion continues, however, we will begin to face a new threat to our prosperity, that of renewed rises in costs and prices.

During 1970 and 1971 Canada's price performance surpassed that of every other industrialized nation. But in recent months there has been some acceleration in the rate of Canadian price increases. Although this is partly attributable to special factors relating to food, there has also been a sufficient increase in other sectors to provide a warning signal. This leads me to what in my judgment is the fundamental problem of economic management. This is the problem of maintaining maximum growth of employment and production in the economy, while at the same time preventing the development of inflationary pressures which eventually could undermine the very foundations of the economy if allowed to go unchecked. To keep the problem in perspective, it should be remembered that substantial progress has already been made during the postwar period in reducing the violent swings from boom to bust that used to be experienced in western economies.

But we still have some way to go in achieving strong, but stable economic growth on a sustained basis. In some respects, the job of maintaining strong but stable economic growth has become tougher to deal with than ever before. Certainly, this has been the experience of many nations in recent years and the conclusion of two major international bodies, the International Monetary Fund and the Organization for Economic Cooperation and Development. The problem is that once inflation has been set in motion by excessive demands on a country's real capacity to produce goods and services, it tends to continue to accelerate long after these demands have been brought back into closer balance with productive capacity. Costs continue to chase prices and prices to chase costs around and around in an everrising spiral. This strong, pervasive and stubbornly persistent kind of cost-push inflation represents a new element, a new kind of force working on our economy. Cost-push inflation has frequently occurred to some extent in the past, but more recently it has taken on a far more virulent form. Just as no one fully understands the reasons for this development, neither is there any clear consensus about how best to bring it under control without causing long-term damage to the economy as a whole.

Resolving the problem of restoring and maintaining full employment while avoiding the risks of inflation is a matter of fundamental concern. I have requested officials of my department to take a new look at the anatomy of unemployment and inflation as a matter of priority to see whether we can suggest what needs to be done to create productive jobs for those who want to work without causing an excessive erosion in the value of the income and savings of ordinary Canadians.

[*Translation*]

There are other long-term problems which we must face. Some are urgent for the only reason that in the world we live in, time and space are increasingly compressed. Changes are quickly occurring everywhere. Tomorrow can at any time become today. Those considerations are as applicable to our economy as to other aspects of our community. They are evident in the scientific and technological fields. They are evident in the outstanding role which the multinational corporations are called to play and the division of various countries throughout the world into trade blocs.

If we refuse to fall back in that race, we must meet the challenge raised by changes around us. It has sometimes

been suggested that some of the steps which we proposed in this regard have created a climate of uncertaincy prejudicial to business matters and the economy. As I have said before, I understand that need for stability. It is in the nature of man and institutions to try to resist change, to cling to the familiar, the tested, the conventional wisdom applicable to yesterday's problems. But I also know that if we stick to the status quo, if we refuse to face the challenges of relentless changes in our midst, there is but one certainty—eventual economic stagnation. I feel there should be more understanding in our country with regard to the need for adopting to progress and evolution. That does not mean, however, that no room should be left for discussion between reasonable men on how to meet the imperatives of those changes. I therefore expect in this regard, constructive suggestions from every quarter.

Among other things, we should consider how our industrial policy should evolve in this world of progress, to achieve a better distribution and a more efficient exploitation of our resources, human as well as material. We should find the means to encourage the development of technology, production and employment in those sectors that offer the best possibilities for increasing our competition with other countries. We must continue to press toward the reorganization of several industries, for greater specialization and production, so that Canadian products might be more competitive on both domestic and international markets.

[*English*]

The formation of commercial policy, which is an integral part of our over-all economic policies is, in conjunction with the Minister of Industry, Trade and Commerce (Mr. Pepin) a special responsibility of the Minister of Finance. I intend to devote careful attention to our commercial policy. The division of the world into large trading blocs, to which I referred a few moments ago, presents particular dangers to Canada as a major trading nation and one of the few industrialized countries without free access to a market of 100 million people or more. The unwinding of the international crisis that posed such a serious threat to the maintenance of the post-war trade and payments system for several months during the latter half of 1971 has been a matter of considerable relief and satisfaction. We in this country must now use what influence we can bring to bear to press for a resumption of the postwar movement toward greater liberalization of international trade. The dangerous alternative would be a move backward toward greater protectionism. This alternative would present a serious threat to our economy and certainly thwart our efforts to bring about greater diversification of our trade.

The House is well aware that there still remain outstanding issues involving bilateral trade relationships between Canada and the United States. As my colleague, the Minister of Industry, Trade and Commerce has made clear, we remain hopeful that a number of these issues between us can be resolved to the mutual benefit of both countries. May I add that I much appreciate the efforts made to explain Canada's position and its point of view by those members of this House and of the other place who met recently with their counterparts from Washington on the Canada-U.S. interparliamentary group.

[Mr. Turner (Ottawa-Carleton).]

We are also giving very careful consideration to the implications for Canada of the United States so-called DISC legislation. This seems to me to be a rather thinly disguised export subsidy. As an exporting country we must be concerned about the world's greatest industrial nation resorting to such a practice. We have already received a number of helpful representations from Canadian businessmen. My senior officials are now making a detailed examination, with the assistance of knowledgeable people in the business community, of the likely impact of DISC on our exports to third markets, on production in Canada for the Canadian market, and on the prospects for potential plant expansion.

I do not wish to forecast at this stage what the results of this detailed investigation are likely to be, nor what policy we will be proposing.

One of my important responsibilities relates to the custody of our newly reformed tax system. Without going into all the wide variety of social measures which we will have brought forward during this Parliament, I might point out that this new system by itself rebuts the allegation in the amendment moved by the Leader of the Opposition (Mr. Stanfield) that this government has deepened the gap between the affluent and those in need. Tax reform has resulted in taxes being reduced or eliminated for 5,700,000 Canadians.

• (1430)

One million Canadians have been removed from the income tax rolls completely. A special tax relief of a substantial nature was provided for hundreds of thousands of elderly Canadians. At the same time, the tax reform provided that those who were affluent would bear a fairer share of the load. The allegations made by the Leader of the Opposition (Mr. Stanfield) simply collapse under the weight of the facts.

Any piece of legislation that is so mammoth and so complex is bound to raise problems. This was fully recognized by my predecessor who gave a commitment to examine a variety of areas in which problems might arise. I am quite prepared to live up to that commitment and to consider adjustments to the law, provided that those adjustments do not sacrifice the underlying principles of reform, where it can be shown that its application had unforeseen and unreasonable consequences. I have asked the new minister of state, whom the Prime Minister (Mr. Trudeau) kindly assigned to help me and who performed so ably in helping to pilot the tax reform legislation through the House, to take on the initial task of examining the problems that may exist and the steps that might be considered to correct them.

[*Translation*]

In our approach to the various problems we face, it will be essential to establish improved communication and better understanding between the government and other sectors of the economy in order to develop the basis of better co-operation. We are all in the same boat and I believe we are rowing on the whole in the same direction. What we should focus on is a greater agreement on the means of reaching our goal.

First and foremost there should be co-ordination and closer links between federal and provincial governments

on the policies and programs likely to affect the economy. My first task on taking up my present assignment was to chair the annual economic and fiscal conference of provincial ministers of finance and treasurers.

In the discharge of the responsibilities involved in my previous portfolio, I attended, with the Prime Minister (Mr. Trudeau) several lengthy conferences concerning the revision of the Canadian constitution.

[*English*]

Mr. Deputy Speaker: Order, please. I regret to interrupt the minister but I must do so to advise him that his time has expired.

Some hon. Members: Carry on.

Mr. Deputy Speaker: Is there consent to allow the minister to continue?

Some hon. Members: Agreed.

Mr. Turner (Ottawa-Carleton): I want to thank the House for its courtesy.

[*Translation*]

But the discussions held in Jasper served to convince me, once again, that arrangements, with regard to taxes, expenditures and other financial questions between the two levels of government are the keystone of our Confederation. Such relations are vital for a proper division of powers and responsibilities between Ottawa and the provinces. I shall give more information on this subject in the next few days, when I introduce a bill providing for the extension and improvement of such financial agreements between the two levels of government.

Apart from working in closer co-operation with the provinces, I would also like to take part in the development of closer relations between the federal government and other sectors, such as business and labour. The government's primary objective is to promote the national interest by the best and most effective means available.

So, I very strongly hope to benefit from representations and advice from the business community, labour unions, farmers' and consumers' groups and others on the policies and programs that are needed in order to best serve national interest. I realize, of course, that one problem remains: that of reconciling opposite interests of different groups and their often conflicting views on the best way of contributing to national interest. However, as better communications link us, it should be possible to develop a wider base of agreement on what we should do to serve public interest together.

[*English*]

Almost every decision faced by the government involves finding a reasonable balance between competing rights and claims that will best serve the interests of the nation as a whole. As Minister of Justice, I found that most of the decisions I had to take involved a judgment weighing individual liberty on the one hand and the welfare and safety of the community on the other. These judgments were not easy and, although they were made with the best of intentions, I am sure they were not always right.

In my new portfolio, I expect that I will also have to seek a balance between other claims that may at times conflict, for example, between incentive and economic growth on the one hand and equity and redistribution of national wealth on the other. I hope that the policies for which I am responsible will help to ensure the maintenance of a fair and improving standard of living for every Canadian without impeding the economic growth that is a prerequisite for raising the quality of life in the nation as a whole.

I accepted this portfolio because I believe that the major issues facing Canadians for a number of years to come will be economic, that in the final analysis it will be the bread and butter issues that count. That is not to say I believe that the life style issues with which I have had to deal in the House and in the country in the last three and a half years have now become irrelevant—by no means. The quality of our lives is pertinent and relevant to any civilized people. But quality cannot be enjoyed unless there is an underpinning of economic sufficiency.

In that context I want to conclude by pointing out that the Canadian economy is not, as the opposition would have it, weak and growing weaker. Quite the contrary, it is strong and growing stronger. I have said that in taking hold of my new responsibilities, I see our first priority to be to provide good jobs for Canadians who are seeking work. This we will do and we shall try our best to do it without inducing an erosion in the purchasing power of the incomes and savings of the average working man and his family. I count on the support of this House in moving toward that goal.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: I understand the hon. member for Waterloo (Mr. Saltsman) is rising for the purpose of asking a question.

Mr. Saltsman: I wonder whether the minister would accept a question. First of all, let me congratulate him on his address to the House and ask him whether, in discussing employment and unemployment levels, he will give some kind of target figure. We are interested in the comments he had to make about his desire to provide jobs for all Canadians seeking work, but it would seem to be more significant to give us some indication of what levels of employment he is looking for and what levels of unemployment the government will tackle.

Mr. Turner (Ottawa-Carleton): I will not get into the game of targets, because I will not be satisfied unless there is a job for every Canadian who wants to work.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): Change the tax system—it's a killer.

Mr. Orlikow: The Minister of Finance (Mr. Turner) said that his first objective was to provide jobs. We have had for 21 months—

Mr. Deputy Speaker: Order, please. I recognized the hon. member for the purpose of asking a question. I hope that he will come to the question quickly.

Mr. Orlikow: The question is very short, Mr. Speaker. We have had more than 6 per cent unemployment in 21

months. Can the Minister of Justice tell us what he expects the unemployment figures will be by the end of this year?

• (1440)

Some hon. Members: Finance, finance.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I am interested less in forecasts than in results, and I am going to do my best to achieve those results.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: Is the hon. member for Skeena (Mr. Howard) rising for the purpose of asking a question?

Mr. Howard (Skeena): I should like to pose one question to the Minister of Finance (Mr. Turner) if I may. He was obviously using a prepared text. May I ask if he provided a copy of it to the Leader of the Opposition and does that account for the absence of the Leader of the Opposition?

Mr. Deputy Speaker: Order, please. The hon. member for Yorkton-Melville (Mr. Nystrom).

Mr. Nowlan: Where is the Prime Minister (Mr. Trudeau)?

Mr. Lorne Nystrom (Yorkton-Melville): First of all, Mr. Speaker, I wish I could congratulate the Minister of Finance (Mr. Turner) on the statement he made today to the effect that our economy is growing stronger and that his first priority is to create jobs for Canadians. Unfortunately, I cannot do that because his predecessor made this same statement in the House at least a dozen times, that our economy was growing stronger and would create jobs. The time now is for action, Mr. Speaker. What we need is action and not empty rhetoric. If the minister does come forth with specific legislation for the creation of jobs, I am sure all of us on this side of the House will join in applauding him.

This is the fourth Speech from the Throne during the term of this Prime Minister and most of us expect it to be the last before a general election is called some time in 1972. This gives us an opportunity to assess the government's activities over the last three years, as well as the opportunity to offer some alternatives. These have been disappointing years to say the least, wasted years—perhaps even dangerous years to the future of our country when you look at the long term values. In 1968, because of his style and acting ability, the Prime Minister personified the change that Canadians wanted. They wanted a new direction after centennial year, a break with the past, an innovator. The Prime Minister realized this and capitalized on the hunger for change, but he has completely failed to satisfy this appetite in the people.

I remember very well my maiden speech in this House when I spoke about the young people of this country and what I thought they wanted, what they expected of this place, of parliamentarians and of the government. I should like to read one short paragraph from that speech which I thought was a challenge to the government and to Members of Parliament. At that time I said:

> For young people democracy is on trial right here and now. We have heard a lot about alienation, about frustration, student unrest, riots, hippies and similar groups within the youth community. All of these phenomena are important to this House for one reason. That reason is that the verdict on the democratic system by many of these young people has already been made and that verdict is guilty—guilty of irrelevance, guilty of lack of purpose, guilty of lack of meaning for their lives but, most important of all, the political system has been found guilty for its failure to produce results here and now.

That was one of the challenges that faced the government when it took office in 1968. The political process had to prove itself, not just to the young people of the country but to many others. As Members of Parliament we had to prove ourselves to the people. Politicians could no longer get away with some of the half-truths and the old rhetoric of days gone by. I feel quite sincerely that the government has failed to meet this challenge; they have failed rather miserably.

We find that the young people in the country are still cynical and that this cynicism has spread to other groups, the western farmer, the worker, the unemployed, the poor, the Indian and Metis. This feeling of despair that Ottawa does not really care about them is real, and it is by no means an accident. I think that the Prime Minister must bear responsibility for it because it was he who tantalized the imagination of many Canadians with new approaches and style. He brought many people to a high level of expectation in 1968 and then let them drop.

The campaign of 1968 caught the mood and the tune of centennial year, the mood of optimism, of innovation, of the future. Sensing this, the Prime Minister picked up the mood and promised action in three broad areas; first, national unity; second, the just society and, third, participatory democracy. I suggest that these have all been monumental failures, disasters, and each of these themes is returning to haunt Liberal Members of Parliament. I should like to look at each of these themes later in my speech, Mr. Speaker.

The Speech from the Throne leaves me cold, and I am sure it leaves most of the Canadian people out in the cold. It is similar to every Throne Speech delivered since this Prime Minister came to power. It is full of flowery rhetoric and self-praise, as well as references to our great and rosy future. I do not think I am being unkind when I say that I get the image of the Prime Minister as the self-appointed philosopher king who feels he has a divine right to govern. I think I even see some of that in the Minister of Finance (Mr. Turner) when he said today, "We will look after you; don't worry about it, we are going to create jobs" and so on.

Every so often this philosopher king descends from his throne, and condescends to lecture the members of this House in a professorial manner, telling us not to worry, that things will be better, that life in Canada is second to none—perhaps second only to Heaven itself. The Throne Speech was full of this and it is the kind of rhetoric that has been given the Canadian people for the past three years. That attitude of divine right is being transmitted to some cabinet ministers. A short while ago in Vancouver when speaking about the economy the Minister of the Environment (Mr. Davis) sais that there was nothing wrong with the economy, that it was in good shape and it was time Canadians woke up to this fact. I suggest that exactly the reverse it true. It is time the government woke up to the fact that the economy is not in good shape. I

think the people know that and will not tolerate this kind of approach much longer.

In these days of mass communications, new technology and modern education, people are aware of the conditions that exist. They are aware of what can and should be done. The voter in Canada is well informed and knows that we can do better. For example, he knows that in this country there is a great deal of wealth, technology and education, and that if we wanted to change the country socially and economically we could do so in a massive way and could do it immediately.

Mr. Speaker, we all know that some changes have been made. Any government will make a few changes. We have had recognition of China, a few winter works programs and the establishment of DREE, which was a failure but at least it was established. We have had a few patches here and there on the economy in an effort to fix up the system. That is not good enough.

What I want, what our party wants and what I am sure in increasingly large numbers the Canadian people want, is an overhaul of the entire system; a new system of government, a new approach. Patches are not good enough for most people in Canada. The unemployed want jobs, not just fancy rhetoric or the Minister of Finance talking about jobs that will be created some time in the future. They want jobs now. The farmer wants a farm that is economic and viable; the poor want opportunities and they are not getting them; the Indian and Metis people are tired of rhetoric and want action; Quebec, the Prairies and the Maritimes want to be equal partners within Confederation. Perhaps most important of all, more and more Canadians want our country to be independent, economically and socially, from the multinational corporations. Patching the system will not solve any of these problems, Mr. Speaker. It may hide some for a while and may quieten some of the unrest for a short period of time, but if we do not do something drastic soon unemployment will worsen, the welfare rolls will swell and Canada will become nothing short of a banana republic, supplying raw materials to multinational corporations. I do not think the Canadian people want that type of country and will not tolerate this type of approach. If we do not change direction democratically, then perhaps some of our people will seek change in a different way. I am referring to what is going on in parts of the United States, in Ireland, in the Middle East, in Pakistan, where many people have chosen a different option. I do not want that to happen, and it is not necessary for it to happen. We must bring change in our country in a meaningful way that will satisfy the people.

• (1450)

I want to go back to the promises which the Prime Minister made in 1968. At that time, he talked a lot about participatory democracy. I think that phrase has come to haunt hon. members opposite. I do not think any one of them can say that in this country we have had participatory democracy. There has not been national participation in the process of government. Instead, we have had task force after task force and white paper after white paper. We have had study groups. Now, there are to be white papers on white papers and task forces to study what other task forces have not studied.

The Prime Minister thinks that participatory democracy is the process whereby the Prime Minister's office and not the people, not Members of Parliament and not even the cabinet, decides what must be done. I think you will find evidence of this contention in the speeches made in the last few months by the hon. member for Duvernay (Mr. Kierans) and the hon. member for Trinity (Mr. Hellyer) after they had left the Trudeau cabinet. To me, participatory democracy means allowing people to make decisions that affect their lives. To me, it means more than just listening to people; it means involving them in a meaningful way. It means more than elections every four years; it means listening to farmers, workers, small businessmen and young people, and asking what they want to do in evolving policies that affect them. That is not happening at all, under this Prime Minister. Instead, the Prime Minister's attitude towards certain groups, such as the Lapalme workers, has been made well known. To the Lapalme workers he said, "Manger de la merde". That is the type of insult the Prime Minister has aimed at the workers.

And what did he say to the western farmers? He said, "Why should I sell your wheat?" On one occasion he is alleged to have said, "You are quite wealthy, because I see $20,000 tractors out here." This is the type of attitude he has displayed towards farmers. And what has he done to help unemployment? At an elaborate, upper-middle class dinner in Toronto, he said that there are lots of jobs in Canada for those who want them. That has been his attitude towards the unemployed. When welfare recipients in Hamilton became too militant, the grant given to them by the Department of National Health and Welfare was cut off. That is not participation. Yet many people thought there would be participation when the Prime Minister took office in 1968.

The Opportunities for Youth program is an example of how this government operates. Even under that program, participation is limited. First of all, the program excludes non-students. It excludes the young people of this country. We know that in January of this year over 13 per cent of our young people between the ages of 14 and 34 were unemployed. They should be participating in a program like this, but they are not. According to the government's own sources, participation in the program has been confined to middle class students, and mostly upper-middle class students. They are the ones who are involved in Opportunities for Youth. If your father's bank account is big enough to support you at university, you can get a job under Opportunities for Youth. That is the type of participation this government has had in mind for the last several years. We know that some can participate, but the participation is primarily confined to the wealthy people of this country and to the multinational corporations. I suggest, with respect, that the government listens to those corporations.

I cannot help but remember a statement recently made, by Mr. Rankin, I believe, the president of the fund raising group of the Liberal party in Ottawa. He talked about 95 corporations which are giving funds to the Liberal party. I think the Liberal party probably listens to these corporations, and listens carefully. Why has there been a delay in the announcement regarding foreign ownership policy? Why has proposed legislation dealing with campaign funds been shelved? I wonder, Mr. Speaker. Perhaps

these 95 corporations are exerting pressure. Perhaps they do not want the government to announce its policy regarding foreign ownership. Perhaps the government does not want the public to know about the people who contribute campaign funds to various political parties. Perhaps the Liberal Party wants to fill its campaign coffers first before making such announcements. After all, the party would not want to bite the hand that feeds it. That is the way the system in this country works.

I also want to know how much some of these corporations that obtain tax concessions and tax write-offs "participate". One way of finding out who "participates" in this way is by looking at the tax laws of our country. You can find out about the type of country you have if you analyze its taxation system. I have some statistics before me which tell a good deal of the story. Over the last ten years, one finds that different companies have been paying different rates of tax on their profits. Gas and oil companies in Canada, most of which incidentally are foreign owned, in the last ten years paid taxes on only 5.7 per cent of their profits in Canada. Mining companies in the last ten years paid taxes, on average, on 13 per cent of their profits and retail merchants, who are at the other end of the scale, paid taxes on 90 per cent of their profits. The man with a small business paid a great deal of tax, yet gas and oil companies, most of which are multinational corporations, paid taxes on only 5.7 per cent of their profits. There you see "participation". It is "participation" by companies like Shell Oil, Gulf, IBM, Parsons and Whitmore, and others like them. That is not the type of participation that my party wants or that the people of Canada want.

One can see the same sort of "participation" behind the recent cabinet shuffles. We know that Bay Street and big business were not too happy about the competition bill and certain amendments to labour statutes being considered. The former minister of consumer and corporate affairs and the former minister of labour were removed from their positions. In their places were appointed ministers more acceptable to the business community. If that is participation, it is not the type of participation or double standard that my constituents or members of my political party want.

The second great promise that the Prime Minister made in the 1968 election campaign was the promise of the just society. That, too, has come to haunt hon. members opposite. As I suggested when talking about taxation, the just society benefits the wealthy of this nation. It benefits the multinational corporations. This is serious, and affects many people in Canada. Many in my constituency, including farmers, the unemployed and elderly people, are very angry now when they hear talk about the just society. I was amazed to hear the hon. member for Bruce (Mr. Whicher) say, in beginning the Throne Speech debate, that the just society had arrived for the old people of Canada. The just society has arrived for the pensioners, according to him.

An hon. Member: Perhaps if you lift the rock, you will find it.

Mr. Nystrom: I can only say to the hon. member for Bruce that there are pensioners I know in Yorkton and Melville who would like to confront him eyeball to eyeball and tell him what they think. This is the type of statement which is making more and more people lose confidence in Canada, in the Canadian economy and in the Canadian political system. The best evidence that the just society is not here is the high level of unemployment in Canada. The Minister of Finance (Mr. Turner) and the Prime Minister can say anything they want about how many jobs have been created and about the participation rate of the labour force. The fact remains that our unemployment rate is higher than that of any industrialized country. As we sit here this afternoon, nearly 7 per cent of the Canadian work force is unemployed. That is almost 700,000 Canadians. And this is not the whole story. We know that when the rate of unemployment is so high, there is hidden unemployment, people who have dropped out of the labour force, women who have not registered for employment but who would work if they had an opportunity to do so, people on welfare, people taking manpower courses, people on other courses the federal government is sponsoring. If all these were included there would probably be more than 800,000 people in Canada who would like to work today but who do not have jobs. It does not matter what we say in the House of Commons or what the Minister of Finance says about statistics. The stark reality is that many thousands of citizens in Canada are today walking the streets in sub-zero weather looking for jobs.

• (1500)

In 1971, an average of about 6 per cent of the working population were without employment during the year. It was not the same 6 per cent all the year round. Different people are out of work at different times of the year. If one counted all the people who were unemployed at various times during 1971 I believe one would find that upwards of two million people were unemployed in Canada at one time or another during the year. This affects us in many ways. It affects those who are unemployed. It affects their families directly. If all these people are included, one would find that five or six million people are directly affected by unemployment.

Any study will show that prolonged unemployment brings about many long-term disastrous results for the country. Unemployment of this magnitude creates a further core of permanently poor people, a further core of people who will be permanently unemployed even if the economy should return to operating at full capacity. Second, unemployment of this magnitude means that the economy is suffering, because it is not operating at full capacity as it would be if everyone was working. We are not producing the goods and services we could be producing if everyone had jobs. There is not as much demand within the economy as there would be if more people were getting incomes from jobs. Moreover, we cannot in these circumstances put an end to regional disparity.

The Department of Regional Economic Expansion was established on the basis of an economy operated at or near full capacity. This has not been the case and, as a result, the DREE program has been nothing but a total disaster.

Mr. Marchand (Langelier): Oh!

Mr. Nystrom: The same can be said about the manpower program. It is not possible to operate a successful man-

power program when more people are being trained than there are jobs available for them, as is presently the case. The government conducted a job vacancy survey and from this we find that there are many fewer jobs available in Canada than there are people being trained to fill them. These are reasons for aiming toward a fully operating economy, an economy which provides full employment.

When we are talking about a just society we are not simply talking about the unemployed, we are not simply talking about the Indian people and the western farmers. We are talking about an attitude toward people of this country. Again, I wish to refer to the tax system in an effort to find out what the government means when it talks about a just society. We spent several months formulating a new tax policy. We spent several years on its preparation, going back to the Carter Commission and, finally, we came up with a new tax policy. This shows we do not have a just society in Canada, and that the term just society is very much of a farce.

Consider the cases of three men, each earning $10,000 a year. They have no dependants, yet they are all taxed differently because they earn their money in different ways or draw it from different sources. The first earns his money by working in a factory, or as a teacher. He will pay $2,285 in income tax. The second man makes his money from capital gains. He will pay only $844 in tax under the terms of the new bill. The third man makes all his money from dividends. He will pay only $193 in tax. This is the just society of the Liberal government. This is the just society which is being perpetrated upon the Canadian people. It is no such thing. It is just a laugh, and that is why it is coming back to haunt Liberal members who sit opposite.

The Minister of Finance told us that thousands of people who used to be liable for income tax will pay no income tax at all under the new tax bill. It is true the government did throw a few crumbs to the low income earner and that they now expect him to be happy. They increased the tax payable by those in the middle income range and lowered it as far as wealthy people are concerned. Again, I wish to use the cases of three single people to show hon. members what has happened. First, let us consider the case of a single man without dependants, earning $5,000 a year from wages or from working, say, as a farmer or as a teacher. His taxes will be decreased by $14 under the new bill. The taxes payable by a man without dependants who is making $10,000 a year will go up by $56 a year. Now, consider the case of a third man without dependants, a man who is a real pauper. He is living in poverty, making $100,000 a year. His taxes go down by $1,011.

Mr. Otto: How much is he already paying in taxes?

Mr. Nystrom: The man who earns $10,000 a year will pay $56 more, and in the case of the man who earns $5,000 his tax goes down by $14. Is this the just society? It is not my type of just society. It is not the just society our party talks about or that the people of my constituency talk about, or are concerned with. It is the just society of the Prime Minister because he has a different concept than I do. He comes from a very wealthy background. He has the approach of an aristocratic millionaire—

Some hon. Members: Cheap.

Mr. Nystrom: —and, of course, he would give a different interpretation than the one I would give, coming from a different background.

Then, there is the third great promise of the Liberal party. It is one hon. members opposite are very touchy about, national unity. This was one of the big issues upon which the Prime Minister campaigned. The Prime Minister undertook to unite this country, but in my opinion he has probably done less to unite Canada in three and one half years than any Prime Minister before him. One has only to consider what has happened since 1968. Since that year we have seen in Quebec the emergence of the Party Quebecois which won 24 per cent of the votes in the last election in the province. Spokesmen for the government can say what they like about this, but to me it is a clear indication that there is something drastically wrong about the way in which the Prime Minister has sought to solve the question of national unity. We have witnessed the emergence of the FLQ in Quebec, and everyone recalls the events of October, 1970. We have seen in western Canada the emergence of a number of organizations, respectable organizations, which are today questioning the value of our relationship with Ottawa and wondering whether we should seriously reconsider our role vis-a-vis Ottawa. They see Ottawa as a distant enemy, as an institution which is doing more harm than good in their lives. Without knowing very much about the maritimes, I understand that a similar situation is developing there, too.

I would hope that Canada could be a strong country, that Canada could be united. But this cannot be brought about by speeches alone or by constitutional conferences which fail to produce results. It must be recognized that we are dealing with regions which have special problems, special concerns, and individual aspirations. This, in itself, is a source of strength. The cultural mosaic of Canada is something which all of us can cherish. But before we can think in terms of a united country, all these regions must become equal partners. Today, because of the variations in the economy and between sections of society, this is just not the case. As the economy is presently oriented, industry naturally tends to locate in what is known as the golden horseshoe and in these circumstances, other regions of the country feel they are unwanted, that they are discriminated against. This is one of the reasons the Prime Minister has failed to achieve national unity; he has failed to tackle some of these basic problems which have arisen from coast to coast.

• (1510)

May I mention a few concerns of the prairie people? The role of the Prairies throughout the history of its development has been that of a supplier of raw materials, agriculture goods, and natural resources. As a result, we do not have much of an industrial base. In addition to this, tariffs and transportation costs have continued to discriminate against our future development. It has been pointed out many times that with an economy of this sort, which basically relies on raw materials, one has to export much of one's wealth, and this means that jobs that could be had in western Canada or in rural Quebec or the Maritimes are lost to us.

The Acting Speaker (Mr. Boulanger): Order. I regret that the time of the hon. member has expired.

Mr. Nystrom: Mr. Speaker, could I ask for two or three additional minutes, with the consent of the House?

The Acting Speaker (Mr. Boulanger): Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Nystrom: Thank you, Mr. Speaker. As I was saying, each of the regions of this country has special problems that we must solve if Canada is to remain united in the future. In my part of the country we are exporters of raw materials and importers of manufactured goods. We export jobs as well as wealth.

In addition, in my part of Canada there is a good deal of concern felt about the future of the agricultural industry and the rural way of life that is being systematically destroyed. Today one sees farmsteads abandoned, the population of villages dwindling and communities that are turning into ghost towns. This must be stopped if the regions like the prairies are to have any confidence in the government at Ottawa. This country has a great future ahead of it, but to realize this future we must change direction and introduce some radical socio-economic measures. Our economy must be operated at full capacity and we must have a policy of full employment. We know how this can be done. It is the case in many other countries of the world today.

We must also tackle immediately the question of foreign ownership so that Canadians can control their own economy and destiny. We must redistribute power and wealth so that the ordinary people of Canada can have more say over what happens to their country, as well as their own destinies. Unless this is done, I do not know what the options are. But one thing I do know is that more and more Canadians might start looking for an alternate method of expressing themselves; and I do not want that to happen because we in Canada are capable of making the changes I have suggested in a democratic manner. We have the resources, we have the knowledge, and we have the technology to do so. All we need is a change in government policy that will redress our problems and change our priorities, so the average person will reap the benefits instead of the foreign corporations or the very wealthy.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, in rising to participate in this debate I should like first of all to extend my congratulations to the mover and seconder of the Address in Reply to the Speech from the Throne. The mover, the hon. member for Bruce (Mr. Whicher), in his robust way, set forth his views on a wide breadth of subjects as they were dealt with in the Speech from the Throne and as they were dealt with by the hon. member. The hon. member does have an enviable faculty. Whether or not one agrees with him—and it would be an exaggeration to say that he is totally agreed with at all times in this House—he certainly has the faculty for commanding attention when he speaks.

[*Translation*]

Also, Mr. Speaker, to my friend, the hon. member for Trois-Rivières (Mr. Lajoie) who also took part in the debate and supported the motion for an Address in Reply to the Speech from the Throne. I should like to offer my congratulations to the hon. member who hails from the historic region of Trois-Rivières and who is part of a very distinguished line of representatives for this riding.

If on the one hand, my friend, the hon. member for Bruce (Mr. Whicher) is a veteran, a more experienced fighter who shows great wisdom, on the other hand the hon. member for Trois-Rivières brings to this House all the originality and freshness of a new member and, in my opinion, he will certainly follow the very worthy tradition of this riding whose representatives have always been most clever.

[*English*]

It seems to me appropriate in entering this debate on the Address in Reply to the Speech from the Throne to take the occasion to share with the House a few of my initial thoughts in approaching my new assignment as Minister of Energy, Mines and Resources. The management of our earth resources is central to our economic and social well-being, to our national purposes, to federal-provincial relations, and is essential to our role in the international community.

Before proceeding with this question, however, I should like to join with the other hon. members who last week paid tribute to our colleague, the hon. member for Niagara Falls (Mr. Greene), for his conduct of this important portfolio which it is now my privilege to hold. I should like to join in that tribute and to say that it will be no small task to match his vigour and grasp of the perplexing issues, and the effort that he has made to bring all Canadians into the dialogue that will steer Canada's course into the 1970's and beyond. We are all looking forward to having our colleague with us again, his being able to share with us, both in the proceedings in public in this House and in private, the benefit of his wisdom and his incomparable good sense and humour.

To the serious and complex questions that are posed in my portfolio, there are really no simple answers. Canadians everywhere are concerned about the husbanding and developing of our resources, both for generations present and yet to come. It is clear that alternative courses can have consequences that would range across the broad spectrum in the future character of Canada as a whole, and many of its provinces and regions in particular.

To cite some of the complex, indeed critical, issues in the mineral and energy economy I would name the following: first, the orderly development of the resource base and the expansion of domestic and foreign markets; second, capital availability and issues relating to ownership and control; third, taxation policies. Fourth, there are major problems requiring new policies in the Arctic frontier and in the ocean frontiers off our two shores. Fifth, there is the question of economic growth and the establishment of environmental quality standards; sixth, the serious question of the need to integrate energy supply and demand patterns and to achieve reasonable energy costs; seven, the establishment of viable coal and uranium industry development; eight, the creation of transportation systems at realistic costs; and finally, but not least, the stability of communities that are dependent on the resource industries for the well-being of their people and the future of their children.

These and other problems have brought into sharp focus the need for the federal and provincial governments as well as industry to play a closer and more effective role in our resource development as an urgent matter of national interest. There is increasing acceptance of the interdependence of our respective roles and the clear fact that national policies, to be effective, must be the result of our combined experiences, our shared purposes and our common needs.

We at the federal level need to hold talks with the provinces to ensure that we have a thorough understanding of their views on resource management. It has been for the purpose of establishing such effective liaison that I have already met with Premier Lougheed of Alberta and will be seeing Premier Regan of Nova Scotia and Premier Hatfield of New Brunswick in the near future.

Mr. Barnett: How about Premier Bennett?

Mr. Macdonald (Rosedale): I would be delighted to see the hon. gentleman at any convenient time. As the son of a New Brunswicker, I look forward to seeing another distinguished immigrant from my father's province. There is no doubt that the provinces, as the owners of much of our mineral and energy wealth, are now playing and will continue to play a central role in the framing of national policies for resources. I believe we can find ways for them to contribute to the development of international negotiating positions, though the responsibility for these positions must always remain ultimately the responsibility of the Government of Canada.

• (1520)

We must make ourselves aware of their concerns, and they of ours. We need to take their concerns into consideration and, to the extent possible, choose approaches and policies that reflect these interests.

As outlined in the Speech from the Throne and I quote:

—a continuation and strengthening of government-industry relations is necessary in order that such areas of challenge as environmental impact and the increasing demand both within Canada and abroad for resources and energy be fully addressed.

I have had an initial meeting with the representatives of the oil industry at Calgary and intend to spend much more time with the representatives of that industry, with the expectation that the National Advisory Committee on Petroleum and the National Advisory Committee on the Mining Industry formed by this government will provide a growing avenue of co-operation between industry and government.

The Speech from the Throne deals in some detail with the importance of international markets for our products and Canada's resources will continue to occupy an important place in our relationships abroad. The government has recognized this relationship over the past year or two when missions abroad have sought to extend our influence and promote a better understanding of resources and policies affecting them in Australia, Japan and Europe. Later this year, I hope to lead a mission to China in returning a visit paid earlier this year by that country to Canada which had a coast to coast look at our mineral and metallurgical industries in operation. Of particular importance in this field, of course, are the relations between Canada and the U.S., a subject that I will discuss in just a moment.

Speaking in general terms, there is a very real need to accelerate reviews of policies affecting minerals and energy and to achieve a consensus on the thrust of resource policy for the 1970's. These are needed to help ensure that our long-term approach as well as shorter term decisions are formulated in the best interests of all Canadians and to realize optimum national benefits from our resources. I hope to bring statements of these policies to the House this year.

I would add that resource policy must complement broader policy concerns for industrial strategy. It must provide improved social-economic security. It must provide improved performance of the domestic economy. It must represent an effort for expanded and diversified exports. It must emphasize the need for social sensitivity in northern development and, above all, it must emphasize the greater participation of Canadians in the decision-making process on problems and opportunities facing the nation in the 1970's. If the hon. member will allow me the privilege, I will be glad to entertain a question from him after I have put my argument.

A delicate balance must be maintained between the economic growth required to sustain a viable resource sector and the environmental impact of all aspects of resource discovery, development, transportation and marketing. The quality of the demand for energy must be assessed as well as the supply, and the tremendous capital requirement needed for all energy activity. What will be sought over the months ahead will be a blending of individual resource policies with national strategies to achieve as effective a balance as possible. Certainly, a set of blanket solutions will never adequately cope with our problems.

I would like to say a few words about the earth sciences. It is of crucial importance to have the facts of a situation before acting on it, and one of the prime responsibilities of the Department of Energy, Mines and Resources is to provide the Canadian public with the essential information on the earth beneath our feet, which will allow Canadians to make wise decisions on how we live on it, play on it, exploit it, or preserve it for the future. Scientists in my department view the earth in its four dimensions: first, vertically, determining its properties from the surface to the central nickel-iron core; second, horizontally, from the Atlantic to the Pacific continental margins; third, from the U.S. border to the high Arctic, and, fourth, from the earth processes of the present time to those which folded our landmass and formed our ore deposits several billion years ago. From this perspective of information and understanding, they seek to provide us, policy makers and public alike, with unique insights for the future habitation and enjoyment of our Canadian landmass.

They tell us the size and shape of our landmass; they describe its natural textures and man's impact on them. From the days of the lone surveyor and his pioneering explorations in our frontier areas we are moving into the satellite age, with earth resource satellites such as ERTS monitoring our changing land surface every 17 days. Our scientists not only describe the land surface, but its subsurface as well. Through the national seismological ser-

vice they monitor earthquakes and nuclear explosions alike, satisfying man's curiosity by defining the properties of the earth's inaccessible interior and, at the same time, providing the public with insights into the detection of nuclear explosions and their possible effect on Canada, or on the earthquake risks which must be considered in building and engineering construction.

The national geomagnetic service defines the changing magnetic field over Canada and the movement of the north pole, thus providing the essential information for navigation by compass across Canada. The geologists provide the key insights on where our resources are, how much we have, and whether they can be exploited. Simultaneously, they seek to generate new employment in declining mining communities, to assess the terrain impact of pipelines and engineering construction, and to advise on the potential resource loss when land is used for such alternate purposes as parks and hydro-electric power generation.

As many of my colleagues are aware, the 24th International Geological Congress and similar congresses in the fields of photogrammetry, cartography and geography will convene this summer in Montreal and Ottawa. They will involve more than 10,000 scientists from approximately 100 countries. 1972 is being hailed as Earth Sciences Year in Canada. The government of Canada has recognized the significance of these events through a series of commemorative postage stamps, to be issued during the year; and schools and universities across the country are undertaking special classroom and outdoor projects emphasizing the earth sciences.

With your permission, Mr. Speaker, I will quote from a recent statement by His Excellency the Governor General:

> Our nation's vastness, and the great variety of its physical structures and resources have made the earth sciences particularly important in the development of our country. Those knowledgeable in this field have been and remain, our explorers, helping to uncover the riches of the earth and teaching efficient management and conservation of those resources.

This government recognizes that the performance of our resource and energy industries has been a basic building block in the growth of Canada's national wealth, opening new frontiers, accumulating capital for re-investment, enhancing the scientific and technical skills of Canadians, and accounting for a useful export surplus. The maturing of these industries and their importance to the economy suggests the critical part they will play in furthering the development of other economic sectors as well as the quality of life for all Canadians.

I want to spend the few remaining minutes at my disposal in this debate to cover some of the problem areas of concern to us in the management of our resources. Canada has been and remains one of the most favoured nations in the world in so far as the availability of energy is concerned. We are the second largest per capita consumer nation and the sixth in total energy consumption. In recent years the component cost of fuel in most industrial activity has remained in the area of 4 to 5 per cent. We cannot automatically assume that we will always be in such a favourable supply position.

Much of our early industry was based on low cost hydro-electric energy. We are fast running out of economic sources of supply and the large potential projects that remain are subject to considerable environmental and capital requirement concerns. Accordingly, we are as a nation increasingly turning the thermal electric generation, either convential or nuclear, and in these fields we must maintain lower fuel costs and achieve more efficient generation techniques if we are to continue to have a lower electric energy cost than most competing industrial nations.

• (1530)

Our nuclear research program and our assistance to electrical general and transmission research at such facilities as Hydro Quebec's Electric Research Institute will help realize these efficiencies. The uranium industry currently faces an over-supply position accompanied by depressed world prices and a consequent lag in exploration activity. On the other hand, current known uranium resources are fully committed near the end of this decade and it is obvious that increased exploration will be needed, given the eight years of lead time required to bring new deposits into production. Over the past year officials of my department have met with representatives of both consuming and producing countries to assess this situation and determine measures to stimulate this activity. We have been in consultation also with representatives of this very important industry in Canada and we hope to be tabling during this session a revised uranium and thorium bill.

I have already referred to the importance of our relations with the United States in the resources field. Our starting point in this relationship is that Canada and this government will continue to bargain hard to get access to markets for resources which have been further processed in Canada to the highest degree possible and to sell them at the best opportunity prices. At the same time, we should all bear in mind that Canada does not have a monopoly in most of these export-oriented resource industries and cannot expect, therefore, to lever massive advantages in terms of price or access to markets merely by sitting back and waiting for foreign buyers to come pounding on our door. Our policies must reflect a studied appreciation of the resources which may from time to time be available for export as clearly in excess of our own requirements and we must know our own needs. One of Canada's energy policy objectives is to ensure adequate and dependable sources of supply at reasonable costs. To this end the government is moving in a systematic way in the development of an inventory of our resources of oil, gas, coal and uranium.

Our trade relations in these matters with the United States will be among the most sensitive and important in coming months. The question of access to markets raises immediately the United States embargo on uranium, for example, a position that must surely be altered if the United States is to supply the needs of its industry toward the end of the decade.

In another area we are moving closer to the goal of full and unimpeded access to United States markets for oil and gas produced in Canada which is clearly surplus to domestic security and commercial requirements. In this connection, of course, one of the most important issues that has been before the House in the recent past has been the question of the west coast tanker route proposed by

the United States. My colleague, the Secretary of State for External Affairs (Mr. Sharp) has made clear in the House, and the government in an aide-mémoire sent to Washington last August stated in the strongest possible terms Canada's reservations with respect to the ecological and other hazards of movement of oil by tanker from Alaska, down the west coast and through Puget Sound to northwestern United States refineries.

The recent report of the United States coastguard dealing with the potential dangers of such an adventure has only served to reinforce the view that all possible alternatives ought to be given serious study before any unilateral action is taken. In this regard we have made clear, with the government's Guidelines to Northern Pipelines of August, 1970, that we welcome applications to build oil or gas pipelines from Alaska through Canada in a land bridge to the continental United States.

I should here comment that a very effective program of co-operation between government and industry is one reason studies have proceeded to a point where we feel that we will be in a position within a year to receive and consider applications for northern pipeline construction. This co-operation should serve as a model for other government-industry relationships.

On the difficult question of foreign ownership in the resource field members will recall the measures taken by this government to sustain Canadian control over our uranium industry and the successful manner in which my predecessor interpreted the will of this House that Home Oil should remain a Canadian company. Anyone concerned deeply about the future of Canada must acknowledge a very real concern about the foreign ownership or control of key resource industries. At the same time, however, it is important to appreciate fully the huge amounts of investment capital which will be required to maintain a viable resource sector that can, in turn, contribute so much to the development of an industrial strategy for a stronger Canada. I favour a pragmatic look at the advantages and disadvantages of any particular investment action proposed for our economy with foreign investment having the onus of demonstrating its contribution to our Canadian wellbeing and to the aspirations of Canadians.

In the months ahead, members of the House will have opportunities to take part in the debate on policies for husbanding and developing Canada's energy and mineral resources, particularly under the consideration of departmental estimates. In my view these questions which fall under my responsibility are among the most important questions to be decided by Canadians in this decade. I will look forward to the contributions of hon. members and of provincial governments, industry and Canadians generally as the government moves to form its policies in this vital area. Perhaps a good starting point would be to ask my hon. friend if he would like now to pose his question.

Mr. Coates: Mr. Speaker, I thank the minister both for his courtesy in allowing me to ask a question and for making a statement, so soon after taking over his department, which I know will be of use and value to everybody in the country. The question I should like to ask him for clarification purposes relates to the re-examination of the report on Fundy power. His predecessor made a statement in April last year to the effect that the federal government would be willing to re-examine this report in co-operation with the province of Nova Scotia and the province of New Brunswick, the original partners in the examination. Over the period since that time, there have been some problems but I understand that they have been ironed out now and that the provincial governments have named their representatives to such a re-examining committee. I am wondering whether the minister's department is in a position to carry out such a re-examination, and if the House will be informed of the type of re-examination which will be conducted.

Mr. Macdonald (Rosedale): I thank the hon. member for his question. I did indeed find, as he suggested, a record of consultation with regard to a review of the Fundy tidal power studies. This is one of the questions which will be on the agenda for my meeting on Tuesday next both with Mr. Hatfield of New Brunswick and Mr. Regan of Nova Scotia. I should like to take that record and discuss it with them, and then hope to be in a position to arrive at a quick decision of which I would be glad to keep the House informed when I return.

Mr. Barnett: Mr. Speaker, might I be allowed to ask another question of the minister?

Mr. Speaker: Is the minister prepared to accept a question from the hon. member?

Mr. Macdonald (Rosedale): Yes.

Mr. Barnett: When the minister made reference to the aide-memoire sent by his colleague, the Secretary of State for External Affairs, to the government of the United States with reference to the west coast tanker route proposal, was he quoting from the text of that document as sent to Washington.

Mr. Macdonald (Rosedale): No. I would have to refer the hon. member to the previous remarks made by my colleague. The remarks I made were intended to be a paraphrasing both of the remarks of my colleague in the House and the aide-memoire. I think I am correct in saying it is not a quotation. Certainly, I did not have it written in quotation marks.

• (1540)

Mr. Mather: May I ask the minister a question in connection with his remarks with regard to the possible avoidance of the shipment of crude oil down the Pacific coast by tanker, particularly the coast of British Columbia, and the hazards involved in that. Have I understood him correctly to say that his department welcomed the application from companies for the construction of a pipeline through the Mackenzie Valley, and that the department would be in a position, perhaps within a year or this year, to receive such applications? Does he know whether such applications are pending or are likely to come this year?

Mr. Macdonald (Rosedale): The hon. member states approximately correctly what I have indicated, that there has been a program of research conducted both by private firms and also further research conducted under the aegis of the government. We expect to make great progress in the research in the coming field year this summer for the various studies that will be conducted. We hope

then to be in a position, particularly from the standpoint of the National Energy Board, to entertain applications and to assess their sufficiency, particularly from the standpoint of economic and ecological considerations. I do know that a number of consortia have been formed among interested pipeline carriers and producers with respect to the possibilities of a northern pipeline. Whether in due course these will mature into applications can only be speculation on my part, but I think one can assume that with the very well defined source of energy resources in the north, applications will be coming forward. Whose they will be and the exact timing, only time will tell.

[*Translation*]

Mr. Romuald Rodrigue (Beauce): Mr. Speaker, it is a pleasure to have the privilege of participating in the debate on the Speech from the Throne and I should like to seize the opportunity to congratulate the mover and seconder of the Address in Reply to the Speech from the Throne. The hon. members for Bruce (Mr. Whicher) and for Trois-Rivières (Mr. Lajoie) performed this task with much dignity.

I have read His Excellency's speech over and over again, and I have even taken the liberty of making a few comparisons with past speeches. My conclusion is that the 1972 Speech from the Throne was merely a repetition of previous efforts and that no doubt the results of the whole thing will be the same as we have already experienced, and no more.

In this document, the present situation is described as in a dream, but when the dream comes to an end and we fall back to earth we realize that the same malaise, the same problems are still with us.

I am now particularly thinking of the unemployed. It is well known that the unemployment picture in Canada remains critical. It is a real tragedy for those involved. Mechanisms and programs brought forward by the government with much fanfare of publicity to eliminate unemployment and regional disparities have proved inadequate.

There are more Canadians now having to do without essentials because they are or have been unemployed for a certain period during the past three years. We are therefore further from the promised just society than at the opening of this legislature's first session.

In the Speech from the Throne for the third session, which began in October 1970, the just society was mentioned as a remote objective. This year, it has been left out, no doubt because the objective was so remote it was lost sight of.

I personally believe that the long quotations and the bombast inserted into the Speech from the Throne are just vain words and window-dressing. And that is all the more true when we consider the treatment the unemployed are now subjected to.

I suppose that most other members, as I did, spent the parliamentary recess trying to palliate problems created by the Unemployment Insurance Commission. That is why I should like to deal with the matter right away.

At the opening of this session, opposition members called for a review of the present situation, but in vain. It seems that the government is unwilling to face a situation which it knows to be bad, or is unaware of it.

[Mr. Macdonald (Rosedale).]

The Parliamentary Secretary to the Minister of Manpower and Immigration (Mr. Perrault) endeavoured, during the oral question period on February 18, to minimize the situation by saying that a mere 1 per cent of benefit payments were delayed. I do not know what criteria he used to establish such percentage or where he got his statistics, but I will not ask him to prove his assertions, lest I would again upset the computer and delay the issuance of benefits.

I myself had the opportunity of asking for the revision of numerous files. Some of those cases have been solved. But a great many cases remain outstanding and they are not recent either. Some of these applications were filed in September, October and November 1971, and I notice that applications resulting from illness are usually those which lead to the longest delays in the issuance of benefits.

• (1550)

I am under the impression that the personnel entrusted with this service is inadequate and that in some cases the files are lost so that it becomes necessary to ask the applicants for new medical certificates, thus further disrupting the orderly operation of the administration.

In a particular case, a young man had filed an application in early December. After waiting a month and a half, he called me to explain his problem. I submitted the case to the UIC and eight days after asking for a revision of that file, an official informed me that the pay center had asked for photocopies of the decisions of the computer. Now even the computer goes wrong.

Another person, who stopped working for the same reason on August 23, 1971 and who resumed work more than two and a half months ago is still waiting for his benefits, and this after having produced four medical certificates. In other cases, income tax was unfairly deducted before the law came into force.

In some cases, they do not manage to trace back the contributions of the claimants who have to make further calls on their former employer. I even had to call employers to ask them to be kind and please produce a new certificate.

I could give scores of similar instances, but what is the use, when facts are being distorted and all the errors attributed to the claimants.

Last January 26, I received a letter from the Department of Labour informing me that in all pending cases, where it would be found that the settlement of a claim would be delayed through administrative inefficiency, benefits would be paid within the next 72 hours. It was also suggested that all claims submitted before December 1, 1971 would be reviewed within the next ten days, and that a decision would be taken.

Following this, I did not find any improvement and on February 15 the office of the Minister of Manpower and Immigration issued a communiqué stating that all claims for benefits in arrears had now been settled.

Since then, his parliamentary secretary has confirmed that the situation would become normal again during the month of March. Was he expecting the unsettled claims to disappear with the melting snow?

Mr. Speaker, what I find odd in all this is that I received no complaint from officials of other departments to the effect that their pay cheque was in arrears. I never had to complain that my own cheque, which I receive on the last day of each month, was late. I find it strange that it has been possible to organize a very efficient accounting system in all other departments, so that everybody be paid on time whereas complaints have been piling up for the past six months at the Unemployment Insurance Commission.

It seems to me it should have been possible to foresee the surplus of work that would result from the application of the new act and to get ready for it.

Please note that my criticisms are not aimed at the civil servants who do the best they can and who are even willing to do their utmost that their fellow citizens' claims might be met equitably.

To my mind, the problems stem from the administrative procedures adopted by high level bureaucrats in the Unemployment Insurance Commission who failed to foresee the problems that might crop up after centralizing the offices in the major centres.

Today we reap what was sowed five years ago by people who suffered from delusions of grandeur.

I see only one quick solution and I would ask the Minister of Manpower and Immigration (Mr. Mackasey) and his parliamentary secretary to make note of it. The claims that are pending should be transferred to information offices where the reasons for the delay would be considered in the presence of the claimants. Some will say that this procedure could be expensive but, in my opinion, it would be less expensive and more efficient than the present one, because it would reduce the number of phone calls on the part of officials and claimants with regard to the same case.

I know that it is boring to hear the same things over and over, and others have said these things before me, but one must understand that it is worse for the claimant who has been waiting for two months and even longer for the cheque to which he is entitled and which he needs. If only this money came from taxes! But no! This money comes from a common fund to which both workers and employers contribute.

As to the problem of unemployment itself, I have referred to it at the beginning of my speech and, as far as I can see, there is nothing new in the Speech from the Throne indicating that it will be solved shortly. In this regard, we shall have to be content with dreams, as is the case with the Speech from the Throne.

In that famous document, one reads:

—events in Canada and elsewhere have continued to demonstrate the turbulence of this age of changing values and shifting attitudes.

I wonder to whom those words are addressed, if not to the successive governments we have had in the past 50 years.

Considering that Canadians have to pay $5 billion, for interest only on federal, provincial, municipal and school debts, with the blessing of this federal government and its predecessors, I say that it is not among the people that one must look for those changing values but right here.

Those $5 billion distributed to the people would mean $275 per year for every man, woman and child. For an individual worker who works 40 hours a week, 50 weeks a year, that would mean 14 cents per hour, while for the married worker with three children, it would mean 70 cents an hour.

I think it would be needless to seek elsewhere the reasons for the increases in prices we have known these last few years. No matter what the income and the direct taxes of a person, most taxes are hidden indirect taxes, that is to say they are added to the price paid by the consumer in its everyday purchases.

That is confirmed by the report of the Senate Committee on poverty, which states that 56 per cent of an annual income under $2,000 goes in taxes.

Further on in the Speech from the Throne, we read the following:

Economic security is one of the most effective forces which to conquer social isolation.

But who contributed to the creation of economic insecurity and social isolation in Canada? Is it not the system that gets us deeper and deeper into debt every day and keeps the Canadian people in poverty by depriving them of half their income—even more, sometimes—so as to pay interest to those who hold the power to create money? Do we not see here again that values are being upset and minds giving way to instability?

Imagine! We must ask private interests permission to use the production created by our people. If that is not unsteadiness of mind, I wonder what it could be.

Again in the Speech from the Throne, we read this:

We in this place have a special responsibility to help bring these goals and those hopes within reach, to make real the Canada of which our forefathers dreamed: a land so large that some of it will remain always serene and unspoiled; a society which believes in the dignity of every single individual; a community which husbands its resources and shares them justly among this generation and those to follow;

• (1600)

How magnanimous, Mr. Speaker! One would think that we are in a monastery. There are a number of questions that we should ask ourselves. If total public and individual debts in Canada top one hundred billion, can it be said that our heritage has been wisely managed, and that the sharing is still equitable? Is human dignity being respected when, as this is actually done in Quebec, widows are forced to travel 50 miles and more to go and get a poor little welfare cheque of $5, when it cost her perhaps $6 and $7 for taxi fare to go to that office? When the young fellow who has been told: Go to school and learn something, and your future will be bright, is offered starvation wages when he does graduate from school, is this sharing and respect for human dignity?

Let us take the case of widows and people under 65 who do not draw old age security benefits and who are unemployed. Are these people getting their fair share, they who have been working for many years and who now find themselves unemployed because of sickness or age? What are we waiting for to lower to 60 the age of eligibility for old age security?

And yet over the past years, these very people have entrusted their confidence in the country's management.

They have worked hard to make Canada the best country in the world. They have sacrificed themselves to give their country sons and daughters. They had them educated at the price of many sacrifices to get what? A country in debt and to be tenants in a country inherited from their parents and which they have improved themselves, to be proletarians within an economic system which gives the highest priority to machinery and money. And yet other countries with an average income less than ours are already granting old age security to their senior citizens aged 60 or more. Why not Canada?

This is where this country's administration has been leading us. There will still be junior civil servants, planning technicians and economists paid by the system to devise more programs which will give rise to more problems and drive us even faster in to bankruptcy. Well-meaning people are being mislead by those programs and this bureaucracy, so much so that everybody is at a loss. As it happened when they were building the Tower of Babel, short and long term programs are being set up which are leading nowhere. And yet our citizens are caught in it and work hard at the tower. The workman does his best to patch up the cracks which have shown up over the years while the graduate works at adding additional steps to the tower to have it rise even higher.

In a different field, the Speech from the Throne stated and I quote:

> A major factor in the strength of the Canadian economy is provided by exports. The Government will pursue vigorously the initiatives it has taken throughout the world to develop and maintain Canadian markets. Those advantages already gained by ministerial missions to other countries will be enlarged in a number of ways. One of these will involve the provision of better credit facilities.

This is another masterpiece. I wish that our missions sent abroad for granting interest-free loans would get lost and visit Canada to obtain information on regional needs and give Canadians the same kind of loans they make to foreign countries.

If such missions have been so successful in the past in foreign countries, why not try the experience here in Canada? Our people are no dumber than people in other countries, and the missions might prove just as successful. If so, they might intend to continue in the same manner.

I have a suggestion for the minister in charge of housing (Mr. Basford) in this regard. Why not start activities in the field of construction? We have already financed an interest-free loan in Great Britain in order to persuade the British to purchase Canadian materials for building their homes. I should be quite interested to see what the results would be in Canada.

However, one thing we are not short of now is needs. Moreover, this field is labour-intensive and material-consuming. It is one of our economy's most important sectors and could provide even more jobs.

We now have a shortage of housing, and the height of foolishness, Mr. Speaker, in my province, the province of Quebec, is that they are preventing construction workers from practricing their trade, subject to a fine, by making a working permit mandatory. That is another instance of upside down values and true mental instability.

To start this experiment, the minister responsible for housing could call on his colleague, the Minister of

National Revenue (Mr. Gray), to remove the 12 per cent sales tax on building materials. This would be a true step forward to help those who need housing and to create jobs.

Another way to assist the building industry would be to grant a subsidy on the interest paid upon the purchase of houses for low-income people. Instead, we accept through social welfare to pay for the cost of housing that is often above $100 or $125 per month. We do not want Canadians to become home-owners; we would rather let them be tenants, even if it is more expensive, Mr. Speaker. This is where our management of the country is leading us.

A few years ago, we granted other interest-free loans to Jamaica for the construction of sewage and water systems in the city of Kingston, the capital. Why could we not grant the same privilege to Canadian municipalities whose numerous programs gather dust on shelves for lack of funds or because the interest rates are too high?

The construction of sewage treatment plants would create jobs and simultaneously contribute to the fight against pollution. There is another field in which Canadian needs are tremendous. If extending credit facilities to other countries is a good thing, it might be time to check whether or not it might not also be so, here in Canada, before dashing right and left.

With regard to our exports, Mr. Speaker, obviously we must find new markets and keep those we already have. We have to import products that are manufactured here in Canada; I am thinking of agricultural products that have to be imported from tropical countries. Now, our exports help our balance of payments, but in spite of that, ti will be hard to convince us that we must export in order to survive. Nor do I agree with the economists who in every country in the world, preach that exports must be greater than imports, How, then, could all the countries in the world at one and the same time export more than they import? It is absurd to think that all countries could have a favourable balance of payments at the same time. Before exporting, it is necessary, in my opinion, to meet domestic demand, to fulfil the needs of the people for food, clothing, housing and public utilities.

Until such time as those objectives are met for the benefit of the people, we must ask ourselves questions and try and find out what is truly wrong in our country. Until we find means to cope with internal consumption and succeed in making use of the available manpower and factory potential, we will have to ask ourselves questions. The duty of management is to implement mecanisms to ensure the welfare of the Canadian people.

In closing, Mr. Speaker, I wish to point out an excerpt from the Senate Committee on Poverty Report where it is said that one Canadian out of four, which means five million Canadians, receives an income which is less than what is considered as the threshold of poverty.

This is a great challenge that management will have to take up as soon as possible, because the gap between poverty and affluence increases from day to day, as well as the number of destitute people. The number may double in five years. The challenge is a serious one, and we must face it.

[*English*]

Mr. B. Keith Penner (Thunder Bay): Mr. Speaker, along with other Members of Parliament who have already spoken in this debate I, too, wish to commend the hon. member for Bruce (Mr. Whicher) for moving the Address in Reply to the Speech from the Throne. If life in Canada is not quite as good and glowing as he would have us believe, it is certainly not as dark and dismal as some opposition spokesmen have contended. The hon. member for Trois-Rivières (Mr. Lajoie) delivered what I thought was an exemplary speech in seconding the Address in Reply to the Speech from the Throne. His constituents have good reason to be proud of his performance. I think he did particularly well in drawing attention to the government's plans to take further steps to stimulate our economy. Effective measures in this area will contribute much to national unity and national pride. It is difficult to feel at one with other Canadians or to take delight in our national identity if economic circumstances separate some in an unhappy state of poverty and misery.

• (1610)

The hon. member for Bruce stated in his speech that Canada pays the highest old age pensions in the world. I am not able to refute that statement, and it may very well be true, but it seems to me to be quite beside the point. The point is, surely, that pensions almost always turn out to be inadequate if they are based upon a fixed number of dollars. The constant complaint of most people whose income depends upon a pension is that it seemed like a very comfortable sum when it was first set up, but shrunk to poverty level in purchasing power because of inflation.

A recurring term in the Speech from the Throne is that of "isolation". In the constituency which I represent, the electoral district of Thunder Bay, isolation is more than just a word—it is a daily reality for many people.—North of the CNR mainline, a great many of my constituents, native Indians of Canada, live in isolated reserves and settlements. Many of these native persons are now migrating into cities and towns and the result for them is a feeling of terrible alienation. The city is seen by them as a foreign land, owned and operated by white men. Social and sometimes even psychological disorientation sets in, and all too frequently this leads to serious personal problems for these people. Many Canadians see only these Indian people who have been stripped of all human dignity caused by severe cultural shock and it is sad but true that there is a tendency to judge all Indian people by these unfortunate souls with whom they come into contact.

Some communities have now set up what are called Friendship Centres for native people. For those who may not know, these centres are social service agencies which exist to administer programs to meet the evolving needs of all migrating native people. The Department of the Secretary of State presently provides small grants to assist these centres. I notice that the Parliamentary Secretary to the Secretary of State is here. He knows my feelings about this, namely that the grants are much too small and that the centres which are in greatest need are not getting grants sufficiently large in proportion to those received by centres which are not doing the same job. For example, the Friendship Centre in Thunder Bay deals with people from all over the region and is called upon to bear correspondingly large costs for administration and programming. As for programming, the provincial government provides a somewhat larger sum of money but nevertheless, these friendship centres are today facing a financial crisis and find themselves unable to provide the quality of staff or the level of services that they would wish. Accordingly, I take this opportunity to call upon the government to adopt a reasonable policy of assistance to migrating native people, one which will include a much more generous measure of support for Friendship Centres.

On the same subject, that is, the isolation of native people, it is further necessary that steps be taken to improve the systems of communication and transportation among the scattered reserves and settlements in Northern Ontario. It is now possible to achieve this goal by relatively inexpensive means.

The Speech from the Throne proposes that the CBC be authorized to extend its services in a comprehensive fashion. Many of my constituents have no television or radio service at all. Others must tolerate very poor reception and most must content themselves with only partial service at best. For example, in nearly one half of my constituency, television viewers face a blank screen following the national news at 11:00 p.m.—there is no late evening television. I suppose that some here would argue this is not a drastic deprivation to be suffered, but if a person is a shift-worker and lives in a community which offers little else in the way of entertainment, a blank screen can be an annoyance of some consequence. There is a real demand for this service. Recently, a petition was posted in two stores in one small community and within a week 375 signatures were collected. The CBC is well aware of this gap in their service and I am pleased to say that steps are soon to be taken to correct this situation. We have now received such an assurance from the President of the CBC.

The hon. member for Bruce noted in his speech that his constituency has a second channel, an alternate TV service. There is not even a slight hope, Mr. Speaker, that my constituents will see the CTV network for many years to come. Therefore, although we may criticize the CBC for its less-than-perfect service and question its efficiency, although we may grumble about its programming, we do realize that if we did not have a publicly-owned broadcasting system in Canada, many Canadians outside the larger urban centres would enjoy neither television nor radio reception of any kind.

The Speech from the Throne also contained reference to seven new national parks created in Canada since 1968. One of these parks, Pukaskwa National Park, is located almost entirely within my constituency. It gave me great pleasure to participate in the official signing ceremonies, together with the Minister of Indian Affairs and Northern Development (Mr. Chrétien) and the Ontario Minister of Lands and Forests. Approximately 725 square miles in area, Pukaskwa National Park takes in some 50 miles of rugged Lake Superior shoreline. At its widest part, the park will span some 30 miles inland. The land is part of the Precambrian Shield, rugged in nature with numerous bays, beaches, rocky points and islands along the shoreline. In the interior of the park are numerous wild rivers,

creeks with waterfalls, rapids and many small and large lakes.

In developing the park, the Indian people will be fully involved to ensure that important economic and employment opportunities are realized by them.

So far, I have been referring to the east end of my constituency around Lake Superior, near the towns of Marathon and White River. I should now like to move to the other end of my constituency, nearly 500 miles to the west. Here we find the energetic, progressive pulp and paper town of Dryden which now boasts a modern, paved airport capable of handling medium-range jetliners—this in a community of 7,000 people which serves a district that has about 15,000 people. In this area, the semi-isolation of being located along the Trans-Canada highway and on the CPR mainline, miles from anywhere, has now been shattered. To date, the federal government has spent nearly half a million dollars on the development of this modern municipal airport.

• (1620)

May I add that during the forthcoming election campaign, whenever it may be, on behalf of my constituents I extend an invitation to the Prime Minister of Canada (Mr. Trudeau) and to the leaders of the opposition parties as well, to drop into Dryden as they jet back and forth across the nation trying to win votes. I can promise them all that a warm and friendly response awaits them.

Mr. McCleave: What about the rest of us?

Mr. Penner: As long as you do not all come at once, if you spread out your visits over a period of time, we will make the best possible arrangements for you.

The Speech from the Throne states that the government will continue to develop programs to strengthen secondary industry. I say to this government that the economic growth and development of Northwestern Ontario depends in large measure on lower freight rates. Freight rate incentives would assist this region to attract resource processing and manufacturing industries, as well as stimulating the existing primary and resource oriented sectors. Remote geographical location and low population density contribute to an inequality of opportunity, which we have always had to live with, but it seriously affects our ability to compete with other parts of Canada and abroad. Long haul distances significantly increase the selling price of goods and materials in the marketplace.

As most hon. members know, the pulp industry has suffered badly in recent years and prospects for 1972 do not appear much better. Pulp markets are in considerable oversupply and no realignment is in sight. Many one-industry pulp and paper communities are now living under the cloud of threatened lay-offs and even permanent shutdowns. The industry is, relatively speaking, labour-intensive; wages are reasonably good and working conditions are generally fair to good. My constituents have taken note of the generous treatment extended to prairie wheat growers with the recently announced two-price system. We approve of this and the assistance offered to the Canadian book publishing industry, but we want to know, in this government's design of a so-called "industrial strategy", what consideration is being given to the pulp and paper industry. Hopefully, it is not a policy of assisting in the establishment of new mills while allowing older mills to close their doors, thereby causing the death of communities, with all the social waste involved as well as the dislocation of thousands of people.

The electoral district of Thunder Bay is a resource-rich region of Canada. I was pleased to hear this afternoon the speech of the Minister of Energy, Mines and Resources (Mr. Macdonald), and I should like to take this opportunity of congratulating the member for Rosedale on his recent appointment to this most important portfolio.

Some hon. Members: Hear, hear.

Mr. Penner: We are looking forward to his forthcoming visit, his non-political visit, to Northwestern Ontario to see some of the mines there in operation.

Mining is one of the big industries in Northwestern Ontario. It is a risky enterprise which helps to open up the north. It is true that this industry gets a special tax deal, and that under the new tax legislation it will continue to receive favourable treatment provided an investment is made in the first place. I note that periodically members of parliament from both sides of the House, and also would-be experts in the academic world, call for a fostering of job-intensive industries in preference to the resource industries. Usually, the people who advocate this policy as part of an industrial strategy come from large cities like Toronto or Montreal. I appreciate their sincerity in wanting to see many more jobs created quickly, and with that I have no quarrel. One problem is, of course, that fostering job-intensive industries means the continuing rapid growth of large urban centres, while the hinterland of Canada remains dormant. I suppose that ecological pantheists who equate God with nature may cheer at this prospect, but urbanologists must shriek with despair at the thought of cities expanding endlessly and relentlessly.

The fact is that we in the more remote areas of this country also want a part of the action. We resent very strongly undue exploitation of any kind, whether that exploitation is directed from Wall Street or Bay Street. What we want is an orderly, rational development of our resources, taking into account the wisdom of conservation and the necessity for environmental protection and preservation. Thus, we regard it as being callous indeed to say that there should be no development at all, little or no investment in resource industries.

The development of the Mattabi mine on Lake Sturgeon has given the little railroad and tourist town of Ignace a big lift. A town plan has been drawn up, and the building of many new homes offers the promise of the good life to these people in Northwestern Ontario without it being necessary for them or their children to migrate to the choking atmosphere of Toronto or some other large centre. There are other communities, such as Geraldton, Nakina, Armstrong and Beardmore, that look forward to the day when some of the mining exploration that has been going on for years around those towns leads to development, production and job opportunities, with the growth of these communities and their economies.

One of the characteristics of being a Canadian is having the ability to meet the challenges of living in a northern

environment, not in any simple, primitive condition, but in an advanced civilization in which we make use of the many tools and techniques of modern industry to provide for ourselves a high standard of living. We in the north want to share in these benefits.

On another subject, Mr. Speaker, the Speech from the Throne promises that parliament will have the opportunity to consider a new Canada Labour Code. One of the most controversial aspects of this proposed legislation has been the technological change provisions, which would provide the trade unions with notice of all significant technological changes and, in carefully defined circumstances, permit them to negotiate during the lifetime of an agreement provisions designed to assist employees in adjusting to the effects of technological change. The Canadian Chamber of Commerce has officially opposed these provisions, saying that they would jeopardize the economic well being of industry and Canadians generally.

There is another important and strong argument on the other side, however, and this counterview has been well expressed by the small Chamber of Commerce located in the little railroad town of Nakina, in my constituency. Recently, they took it upon themselves to write a letter to the national president of the Canadian Chamber of Commerce in which they took the opposite view to what their parent body has said about the proposed Canada Labour Code and the technological change provisions. I think the House should hear what they had to say, because what they said comes from first-hand experience. The letter reads:

• (1630)

Our small community has had two close brushes with "technological change" when the CNR attempted to run-through in 1964 and again in 1969. We know too well the results of such changes when not brought on with care and consideration of all things concerned.

If the CNR run-through had taken place—and we don't know that it still won't—it would have left Nakina with one-third fewer residents and the reduction of earning power by almost one-half. The result would have been fewer tax dollars coming into the town office, businesses would have had to cut staff drastically, with some merchants fearing they would have to fold, thus causing an even greater loss of employment.

Technological change is inevitable, but to do it in a haphazard way, not taking into account the employees and communities involved, is to seriously jeopardize our "economic well being". We believe that unions should have the right to stall change, if only until the signing of the next collective agreement, so that technological change may be bargained about sensibly and brought on smoothly by minimizing the adverse effects.

It is with these people that I will take my stand because I experienced this run-through threat in 1969. A former Member of Parliament from another party had this same experience in 1964. The point made in that letter is a good one. We hope the government will proceed with this part of the Canada Labour Code and see it through.

Some hon. Members: Hear, hear!

Mr. Penner: As a final point, Mr. Speaker, I note that the Speech from the Throne speaks of policies designed to promote tourism in Canada. Tourism is another important industry in Northwestern Ontario, and we welcome all efforts by the federal government which will further assist in its growth and development. It is most important, however, that the economic benefits from this industry accrue mainly to Canadians.

In this regard, hon. members may recall the stir and fuss raised by elected representatives from Northwestern Ontario concerning U.S. licensed aircraft operators flying sportsmen into our region and reaping rich rewards from our resources. They were profiteers of the worst kind from south of the border, taking all they could get and contributing nothing to either the regional economy or the national economy. As a consequence of the concern and activity of many persons in Northwestern Ontario over a protracted period of time, the air transport committee of the Canadian Transportation Commission in December 1970 placed restrictions on these U.S. licensed aircraft operators. They were permitted to make two traffic stops only, one at the customs port of entry and the other at a licensed base of a Canadian chartered commercial air carrier. We considered this to be a significant victory for Canada and Canadians but, alas, our hurrahs were shouted a little too soon.

In May of last year, an American operator, Frank E. Bohman of Minnesota, applied for a review of the order of the air transport committee. On August 27, the review board, despite strong arguments from elected representatives and various departments of the government of Ontario, amended its order governing U.S. carriers of fishermen and hunters into our region. Although some restrictions are still in effect, they are so watered-down that the only possible interpretation is that what we now have is another Canadian sellout. The efforts of those of us who spoke against Bohman and in defence of Canadian enterprise and our own resources were labelled by the Canadian lawyer representing this American profiteer as jingoists. When the economic history of Canada during the 70's is written, the infamous Bohman case may well be indexed under the heading of "Our National Shame". This, of course, was not a government decision. I recognize that. I had the impression, however, that the Canadian Transport Commission and the air transport committee existed for the wellbeing of Canada and Canadians. The Bohman case causes me to have second thoughts about that.

The Throne Speech debate is a good opportunity for all hon. members to comment favourably or otherwise about the times in which we live. Like artists, we take brush to canvas and paint our pictures, bright or dark. In reality, the scene is one of contrast, for as the Prime Minister said in his New Year's address to the nation, quoting the opening lines from Dicken's novel "A Tale of Two Cities"—"It was the best of times, it was the worst of times".

Horace Greely, in his "American Conflict", remarked that the illusion that times that were are better than those that are, has probably pervaded all ages. However, we see the picture of our times, this Parliament has a great deal of work to do for the betterment of our nation and for the well-being of its citizens.

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, a year ago, during a visit to the Port of Saint John, the Minister of Transport (Mr. Jamieson) gave certain undertakings with regard to an automobile and forest products facility known in our area as Pier 14A. Although many of us hoped it would be within the ability of the

provincial government of New Brunswick to provide this pier, it has proved to be beyond the capacity of that province. I urge the Minister of Transport, in this preliminary way, to take a new look at the need for this facility and to live up, if I can put it that way, to the undertaking he gave to our province and people a year ago.

The second aspect, and then I will get to the main thrust of my speech, concerns both the province of New Brunswick and many who live along the Bay of Fundy. I refer to the 15 cent oil levy which is to be exacted as a result of an order in council passed because last year we amended the Canada Shipping Act. The major problem here is that inward and outbound fuel oil will, in a sense, be double taxed. Also, there should be a cutoff time once the Maritime pollution fund is built up. Industry and the public should have an assurance about this. Once again, we see that the people who live in a particular part of Canada are paying a particular price because of the fact they live along the seaboard.

Lastly, a motion in my name about the need to ensure improvements in the domestic feed grain and marketing system will be debated later. I do not want to be out of order by discussing it now. It remains a continuing source of frustration and irritation for our eastern Canadian farmers.

Some hon. Members: Hear, hear!

Mr. Fairweather: I propose to outline and comment upon the significance for Canadian publishers and the general public of Canada's non-adherence to the UNESCO agreement on the importation of educational, scientific and cultural materials, the Florence agreement, which has been operating since 1952. I accept the fact that there is a certain risk in speaking about this issue because perhaps publishing and the distribution or free flow of knowledge is not usually expected to be a popular subject in the parliamentary sense. I want to acknowledge the help and interest of Mr. Paul Thomas, a parliamentary intern, in gathering a good deal of the data to support the remarks I make today. I am sure any of us who have had the privilege of having the assistance of parliamentary interns want to compliment the donor foundation for its generosity and want to say a special word for these young people who have added immeasurably to the zest and interest in the parliamentary process.

• (1640)

The main purpose of the agreement is to help fulfil a basic aim of UNESCO, as set forth in its constitution, "to promote the free flow of ideas by word and image". The agreement aims to reduce tariff and trade obstacles to the international circulation of educational, scientific and cultural materials, principally by means of contracting states forgoing custom duties on such materials. Many categories of printed materials are covered by the agreement, but the most important category is books. The United Nations lists 63 countries as applying the Florence Agreement. Unfortunately, our country is not among these.

Canada has not signed the Florence Agreement according to the Secretary of State for External Affairs (Mr. Sharp). In answer to a question of mine on June 30, 1971, as recorded at page 7510 of *Hansard*, it has not been considered to be in Canada's interest to abandon the limited protection offered domestic producers against imports of certain educational, scientific and cultural materials, as long as important trading partners maintained barriers against Canadian exports of these materials. The minister went on to say that Canada's accession to the agreement was under continuous review. The principal non-tariff barrier to Canadian book exports is the United States manufacturing clause. In the U.S. Copyright Act the phrase "Manufactured in the United States" means that the type must be set, plates made, sheets printed and books or periodicals bound in that country. The manufacturing clause provides that any work in the English language that is first published in the United States must be manufactured there if United States copyright protection is to be obtained. This holds true regardless of the nationality or residence of the author.

Any English language work first published abroad, and written by a foreign author residing abroad, need not be manufactured in the United States if copyright protection is to be obtained. Thus, the clause has no effect on a Canadian writing in Canada and selling into the United States. For an American writing and publishing abroad, there is a limit of 2,000 imported copies on which copyright protection can be obtained. A new United States copyright law has been under consideration in Congress for several sessions. In the 90th Congress, bill HR 2512 would have eased the provisions of the manufacturing clause somewhat. For example, the requirement of U.S. manufacture would no longer apply where at least a substantial part of the work has been written by a foreign author or, under certain conditions, by an American residing abroad. Moreover, a violation of the manufacturing clause would not jeopardize, as it now does, the protection of non-publication subsidiary rights such as dramatic television and motion picture rights. This bill, however, has apparently not been acted upon in the present 91st Congress because the responsible Senate subcommittee is trying to untangle the copyright problems raised by cable television. Pending revision of the United States law, Canadian book sellers and printers have pressed successive governments to seek a special exemption in exchange, perhaps, for Canada's removal of duty on United States books.

Canada now levies a 10 per cent duty on imported books. The percentage is of the cost of the book. There is provision in the Custom and Excise Act for exemption of certain categories of books. Technical books, for example, are exempt from duty, but the act does not define this term; its application is left to customs officials. Curious anomalies arise because of the imprecision of the act. The book by Manchester, *The Death of a President*, was first classified as a biographical work, subject to the 10 per cent surcharge. Later, it was reclassified as history and became exempt. Books adopted on university courses are also exempt. If a book is sold to an educational institution, the bookseller may apply for a rebate, though many do not because of the time and red tape involved in dealing with the customs department.

Mr. Barry Britnell, Chairman of the Copyright Committee of the Canadian Booksellers Association, stated that practically all of Britnell's books come in duty-free, but partly because he takes the time to seek exemptions. As an explanation of the price differential between Canadian

and United States copies of books, the duty does not appear to be all that significant. While pricing policies vary, Mr. Britnell stated that some publishers spread their duty across all their books, non-exempt and exempt, so that the increase in price would be less than 10 per cent on any one book. Mr. Britnell felt that some publishers did use the duty as an excuse to maintain prices at levels slightly higher than warranted.

There are more important factors at work than the surcharge causing higher book prices in Canada. At various times the following factors have been of greater or lesser significance: higher distribution costs in a relatively sparsely populated country, costs of providing additional services, catalogues, promotion for imported books, the current exchange rates in some cases, provincial sales tax, financing difficulties of Canadian publishers, brokerage fees, and the schedule of discounts that a principal offers a Canadian agent.

I admitted at the outset that it is risky to discuss a subject like this, but I feel the issue perhaps is important enough to have it on the record. Perhaps following the comments I make, those in this field will be able to make some comments and criticisms of the proposals I make and the issue of the free flow of books in the world, so the adherence to the Florence Agreement will thus become an acceptable policy to the government of Canada.

The various sectors of the book business appear to be divided over the appropriate course for Canada to follow with regard to free trade in books. The Canadian Book Publishers Council on January 27, 1972 passed a resolution requesting the government of Canada to seek an exemption from the manufacturing clause in a revised U.S. Copyright Act as a stimulus to the unrestricted flow of books into the United States from Canada, as is presently the situation in the reverse direction. The members of the Canadian Independent Publishers Association headed by Peter Martin regard the CBP as effectively controlled by foreign subsidiaries of United States publishing houses and, therefore, insensitive to the issue of publishing Canadian materials. This group apparently regards the copyright issue as of minor importance compared to the more urgent issue of the survival of a Canadian book publishing industry.

The Canadian Booksellers Association takes the position that adherence to the Florence Agreement should follow the securing of an exemption from the United States manufacturing clause. There is a feeling in this group that the Canadian surcharge attempts to protect Canadian publishers in an ineffective manner by raising the price of United States books. This point is made in the brief by W. H. Smith & Sons to the Ontario Royal Commission on Book Publishing where it is stated:

> This tax is levied on the supposition that it in some way supports the Canadian book industry. This is not so and we suggest that it should be removed. The funds raised by this tax are not reinvested in the industry, but go into the general revenue of the government. It does not positively assist the Canadian publisher. It simply makes American books more expensive and so the only loser is the Canadian purchaser and reader.

All three groups point out that Canadian international copyright law gives copyright protection to a foreign publisher wishing to sell his books in Canada, regardless of where they are manufactured. Thus, there is no economic incentive for a foreign published book to be made in Canada, even if it is a best seller with a volume that would be attractive to a Canadian manufacturer.

• (1650)

I should like to discuss for a minute some of the major problems of the publishing industry in our country, and then make some suggestions about that. Public concern about the survival of a Canadian publishing industry has been aroused by such recent events as the sale of two Canadian publishing firms to Americans; the announcement by McClelland & Stewart Limited of its financial difficulties and the decision of the Ontario government to provide $1 million in no interest debentures to avert the possible bankruptcy or sale of the company to American interests; the hearings of the Ontario Royal Commission on Book Publishing; the publication of the study of the Department of Industry, Trade and Commerce on "The Canadian Book Industry"; the warnings of the Davey Committee on the Mass Media about the declining health of the industry; and the criticisms from the industry that the federal government has made no plans to use the occasion of International Book Year, 1972 to stimulate interest in books and to launch a co-ordinated policy of support for Canadian publishing.

I should like also to refer to the recent revelation that the Secretary of State's (Mr. Pelletier) proposals to cabinet for assistance to Canadian publishing had apparently been considerably narrowed down within the cabinet, and, most recently, the announcement by the Secretary of State pending the development of the government's long term policies. The major problems of the book industry in Canada include: the high percentage of imported books consumed; the distribution problems encountered by Canadian publishers; the absence of a real Canadian presence in certain fields of publishing such as the mass paperback market and children's books; the difficulties faced by publishers in obtaining operating capital; the practice of Canadian libraries and educational institutions of dealing with foreign book distributors who have larger stocks but fewer Canadian titles; the limited export markets due to such factors as U.S. copyright law; and the peculiarities of a market served by French and English language publishing industries operating under different conditions, through different techniques, and, to some extent, with differing philosophies. Each of these problems will be discussed briefly, and then I will try to make some assessment of the government's recent proposals.

The ITC study of 1969 states that the Canadian book industry is made up of about 300 organizations publishing books and approximately 25 manufacturers whose principal activity is manufacturing books. Of these, about 100 publishers account for virtually all books authored or adapted and manufactured in Canada.

Of the estimated $222 million worth of books at publisher's sales value consumed by Canadians in 1969, 65 per cent were imported books, 25 per cent were Canadian published and manufactured books, and 10 per cent were adapted books manufactured in Canada. On a language basis, 52 per cent of books sold in English Canada are direct imports, 14 per cent are adaptations, and only 34 per cent are produced and published in Canada. Of these, 80 per cent are published by foreign controlled firms, so

that only 5 per cent of all English language books sold are authored, published and manufactured by Canadian controlled publishers. Only 30 per cent of the French language books are locally produced. I apologize for these statistics, but I think that in the context of these remarks it might be interesting to have them in some form on the record.

Of the $144.8 million worth of imported books consumed in Canada in 1969, 80 per cent came from the U.S.A. Since 1966 the volume of U.S. books imported has risen by 57.6 per cent, a scant 8 per cent and 7 per cent respectively come from Great Britain and France; about 58 per cent of the imported books were distributed by Canadian publishers, and the remaining 42 per cent were sold directly to Canadian wholesalers and institutions.

The ITC study also notes that the value added by book manufacturing and publishing accounted for .09 per cent of the 1969 Canadian gross national product. The contribution is approximately one third of the contribution made by the book industries in leading book publishing countries, and that fact might well be underlined. During the year 1969, the Canadian book industry exported only $5.5 million worth of books. Destination of exports is not given, but presumably a high percentage goes to the United States.

The English language industry has several large firms, but is principally dominated by a number of small firms having less than $2 million sales volume and relatively low capital investment. Larger firms earned more money and the small firms were in the vulnerable position of earning very marginal returns. Canadian publishers make most of their profits by acting as agents for foreign publishers. Canadian books tend to lose money. According to Paul Audley, Macmillan of Canada has been instructed by the British parent to cut back on its publication of Canadian works for precisely this reason. The respondents to the ITC survey cited capital availability as the greatest advantage of an agency relationship. In an argument familiar to the broadcasting situation, it is argued that imports in effect subsidize less popular Canadian books.

Canadian publishers also made profits by printing long runs of standard school text books. For the ITC sample, textbooks represented 65 per cent of total sales in English, somewhat lower than in the French language sector. This source of revenue is being undermined by increased competition from foreign sources through the "buying around the agent" practice. This involves placing institutional orders directly with foreign distributors, who carry large inventories, have sophisticated processing procedures, and buy in bulk at reduced prices. Often this means that institutions are buying American or French books. Moreover, there is a general reluctance among foreign publishers to modify their textbooks to suit Canadian conditions. This is a very urgent point.

Canadian owned publishers produced only 46 per cent and 45 per cent of Canadian elementary and secondary textbook sales respectively. I do not suppose many people in Canada are aware of this fact. Only 9 per cent of post secondary textbooks were produced by Canadian owned publishers. Ryerson Press and W. J. Gage Limited, both recently sold to American firms, accounted for a great part of this textbook production, and now there are only two Canadian owned houses that do any significant amount of textbook publishing.

This is a somewhat long and boring speech about an interest that has come to me because I reviewed a book once published in the U.S.A. on the life of an American ambassador, Chester Bowles. The sale price in the United States was $12.95 and in Canada $18.75. I commented on this differential and I have had a flood of information from interested people since. So, I am afraid, Mr. Speaker, you have to put up with this; I am sorry.

Two areas where the Canadian presence in publishing is virtually non-existent are children's books and popular paperbacks. If any of my colleagues have tried to pick up at an airport a popular Canadian paperback when they are going to and from their constituencies, they know the difficulty of which I speak. According to Paul Audley, less than five children's books were published by Canadian firms last year. In the popular paperback field, distribution arrangements that permit monopoly control on outlets to arise means that almost all paperbacks sold in drug stores, department stores, newsstands, airports, etc. are foreign titles, mostly American. The problem of access to the shelves is a recurring theme in the testimony of Canadian publishers to the Ontario Royal Commission on book publishing.

There are several reasons for the paucity of Canadian children's books. Most children's books are sold in department stores and supermarkets, so Canadian publishers again have difficulty finding outlets and owners buy from foreign jobbers. Successful children's books have become colourful, often with expensive illustrations, so that long runs are necessary to offset costs. The CBPC estimated that over 50,000 copies sold are needed to recover costs, and even then recovery is slow.

I want to discuss some obstacles to export, then make a suggestion or two, and then sit down. Presumably, an industry with a small, sparse density market would seek export sales. There are several obstacles to exports by Canadian publishers beyond the copyright problems with the United States already mentioned. There is little demand for non-fiction trade books published by Canadians because the subjects are of little interest outside of Canada. The most popular Canadian authors often have separate United States and United Kingdom publishers and when a joint run with another publisher is possible, the printing is usually done outside Canada.

• (1700)

Manufacturing costs of books are generally higher in Canada, which in turn is reflected in higher prices. The risks involved in entering other markets and the costs of promotional and distribution facilities are too great for Canadian publishers with low profit levels. It is unappealing to those publishers' agents who are content to profit from being importers.

Traditional financial institutions have shied away from providing loans to publishers because of the uncertain nature of the business. This point was repeatedly made by publishers to the Ontario Royal Commission on Book Publishing when it was stated that long-term development loans at reasonable rates of interest were needed to allow for the development of Canadian books. This financing difficulty is most acute for the smaller, new houses which

are often publishing the most interesting Canadian material. Foreign-owned houses are often a part of a conglomerate with powerful financial backing. Credit is easier for them to obtain.

Ironically, McGraw-Hill partly financed its takeover of Ryerson Press through funds borrowed from Canadian banks. When foreign-owned publishers handle Canadian books, they are often able to offer the authors sizable advances, the assurance of a larger market and better promotion and distribution. The Canadian houses often lose their authors and revenue.

The Secretary of State (Mr. Pelletier) announced on February 11, 1972, a five-point assistance program for the book industry: allocation of $500,000 in the fiscal year starting April 1 for bulk purchases of books by Canadian authors, which will be donated by federal agencies to public libraries in Canada and abroad; Canada Council grants totalling $1 million in the coming fiscal year for the publication of books by Canadian authors, double the amount spent last year; grants of $215,000 to finance English and French translations of Canadian books, an increase of $100,000 over last year; a $500,000 program by the trade department to open Canadian book distribution offices in the United States, Britain and Europe and to extend Canadian participation in international book fairs; contracts to commercial publishers for the printing of certain government publications.

The minister stressed that these were interim measures and that a permanent committee on publishing would be set up to prepare long-term policies. Still to be determined is the definition of a Canadian book and a Canadian publisher, but the minister is quoted in the Toronto *Star*, of February 12, 1972, as saying: "We definitely will help only Canadian houses". I just want to enter one caveat here. When the department is getting the list of Canadian books together, I hope we will not have a repetition, and I am sure we will not, of the selectivity that was forced upon the United States State Department in the infamous days of Senator Joseph McCarthy when people poked around to make sure that the titles were fit for the people to read. I think it might be extreme to expect the government to have Walter Stewart's book "Shrug" on all the book shelves, but if it does not have this type of book then there could be the danger that people would think there was censorship in the way titles were picked.

My first comment must be that these steps are very modest compared to the proposals submitted to cabinet last February, when the Secretary of State called for "immediate government action" before "the last resistance to the foreign flood collapses." In that memorandum the following recommendations were made: creation of a Canadian publishing development corporation; approval of the sum of $250,000 and two man-years for the activities of International Book Year; approval of the additional sum of $300,000 for the Canada Council for doubling its program of assistance in the area of creative writing and periodicals and study of additional measures.

The Secretary of State has made no special announcement regarding federal plans for International Book Year. His second cabinet proposal of September, 1971—these things keep pouring out—was for spending $450,000, not $250,000 on such programs as reading tours for Canadian poets and writers, book caravans to rural communities, French literature bookmobiles to Francophone communities outside Quebec, library programs, two special literary prizes, a special children's book prize, translation of important books and donations of paper and bookmobiles to underdeveloped countries. These are imaginative and valuable projects and it would be unfortunate if the government has decided not to pursue them.

Now I am going to skip a paragraph of my speech because my time is running out. While welcoming the program, most Canadian publishers agreed that it will only be of marginal importance. There is a clear need for additional measures. If we designate broadcasting as being vital to the development of national identity, invest large sums of public money in it and regulate both content and financial control, how can we neglect book publishing which is also important for the development of national ideas, values and identity?

I suggest some measures beyond the Secretary of State's proposals to be considered, as follows: first, federal-provincial discussions to develop a policy of institutional purchasing—libraries and schools—from Canadian wholesalers or publishers whenever possible. An estimate is that institutional purchasing outside the country for 1969 amounted to $40 million. Second, investigation of the distribution arrangements under the Combines Investigation Act; consideration should be given to a Canadian content quota system for paperback and magazine distribution racks. Third, the modernization and standardization of the tariff regulations to eliminate the bewildering array of separate items. Fourth, government encouragement for co-operation within the publishing industry for the compiling of basic data and also for standardization within the industry. Fifth, because children's books are so important as socializing forces, steps should be taken to encourage development of Canadian titles. In the centennial year there were prizes for children's books. Sixth and last, use of the CBC networks to draw more attention to the enjoyment and enrichment found in books.

Mr. Speaker, I have tried to give the House some ideas which, if they could be acted upon by this government, would aid our common purpose which is the purpose enunciated at the beginning of my speech, the promotion of the free flow of ideas by word and by image.

Some hon. Members: Hear, hear!

An hon. Member: Good speech.

Mr. Hyl Chappell (Peel South): Mr. Speaker, the Speech from the Throne commits us to attack and overcome social inequality and isolation of the individual whether it be caused by lack of economic opportunity or remoteness from a mainstream of life. I agree with these proposals and express confidence that we shall go a long way toward our goal. There is another protection of individuals, however, the protection of all individuals in Canada, which I believe to be of overpowering urgency. It is protection of the public against unreasonable price demands and unreasonable wage and salary demands which bring about disruption and loss from strikes or the "rejection syndrome" under which a settlement which has been worked out by union representatives is later disavowed, with further negotiations, disruption and loss. Parliament and the legislative assemblies of Canada either alone or,

preferably, with the co-operation of labour, simply must create the machinery whereby the public can try to protect itself from this immense and disturbing force.

For centuries, big business was the robber baron which had to be attacked, weakened and controlled. Today it is the large, organized unions which can wreak havoc on the whole public which is defenceless to defend itself. Big business has been controlled to a large extent by tough corporate laws and by anti-price fixing and anti- combines legislation. But organized labour has a special and privileged position in law. It has special status. Unions are not responsible for their illegal strikes or slowdowns, either to their employer or to others when they bring injury through loss of business or loss of employment. If the technicians who maintain flying equipment had to face the fact that they were responsible in law for any breach of the act, I am confident they would be there, they would be maintaining the machines and the aircraft would be flying.

• (1710)

I am not speaking for big business although some parts of it, particularly the pulp and paper and chemical industries, are in trouble. It faces tough international competition. I speak for the public, a large part of which is hurt every time there is a demand for an unreasonable wage or price increase. Just as the managers of big business used to think only of themselves and obtain the highest prices they could get while disregarding the public interest, so today many labour bosses are concerned only with what they can get for their own group; they disregard what is happening to the public. I ask, why are governments so reluctant to pass legislation which would allow the public to protect itself? I sense a change coming, and I hope it will come shortly.

I suggest that labour itself wants controls and that only relatively few of its political leaders wish to hold on to the power and notoriety of the strike. The vast majority of us, perhaps 75 per cent, are labourers in the sense that we are workers: this includes housewives, typists, farmers, technicians and all others who are not in management. All these people I have mentioned look to us, the Liberal party which makes up this government, to protect them. I believe the majority now feels that all strikes must be outlawed and a new system of settling disputes introduced, a system which would include protection for them, the public.

If the bakers can strike and force the retail price of bread to double, does the public not have an interest? Is it right that an organized union can bring about a price increase which can be passed on to the public without there being an opportunity for the public to object and be heard? If a crane operator, through his union, can force the construction industry to pay him $20,000 a year for a 40-hour week, is it not reasonable for the farmer to demand the same, or perhaps more, considering his investment? If the farmer were to do that, I submit the price of milk would go to $5 a quart. Of course the public is interested.

In Great Britain, one group caused personal inconvenience, physical discomfort and economic loss to everybody on the island. A few radar technicians in Canada who rejected the settlement worked out by their union

[Mr. Chappell.]

representatives have caused annoyance and interefered with our right to go about our affairs. They have endangered the lives, to some extent, of many and caused financial loss, directly or indirectly, to almost every person in Canada. This strike, following as it does a strike by the controllers, is hurting Canada far out of proportion to the number of people involved in the conflict. This just does not make sense.

In the United States a new group under the name Common Cause has organized to blunt the force of organized power groups which seek to and would take more than their share of the national income at the expense of others. There is mounting public concern for the elimination of costly strikes which can disrupt the welfare of a whole city, be they in private industry or in the public service.

Our strike record in Canada is notorious. I believe it is the worst, or highest of the world's leading industrialized nations. As a result, our prices have been increasing at about 4 per cent, and wage settlements at something over 7 per cent annually. This is far in excess of any increase in productivity and, of course, causes inflation. Inflation not only results from wage-price increase; it also comes about from disruption in the industry struck and in other complementary or service industries serving the struck industry. When union workers not on strike refuse to cross the picket line at a striking plant no matter what the cause, their refusal permits the striking union to spread its quarrel, and thus its injuries in the form of unemployment, inefficiency and inflation, far beyond its own reasonable jurisdiction.

If prices increase too much, the public can switch its taste and buy something else, or we can lower customs barriers. The public can do quite a bit to resist unreasonable prices. However, when it comes to wage and price demands, the employer is forced to settle at an ever increasing rate of increase and pass the increase on to the public which is defenceless. The public includes not only other organized labour but people who are not organized and are without any power to obtain a similar increase or any increase to offset the increased prices they must pay.

If, as I said earlier, a crane operator can force the construction industry to pay him $20,000 a year, why should not the radar technician demand a similar return? Why should not the industrialized farmer demand it? Considering the hours he works and the capital he has invested, he might demand such a return. I suggest that if the farmer were given the same rate of return as the crane operator or others in the construction industry, food would cost five to ten times as much as it now costs. Therefore I say the public interest has to be protected.

If inflation continues at between 5 per cent and 7 per cent, what will happen to capital and the ability to create jobs? The plant manager who budgets to save $100,000 in ten years, and utilizes his borrowing capacity to borrow $1 million in order to build a new wing for his plant and create 200 additional jobs, will find in ten years that the buying power of his savings will have shrunk to the buying power of today's $40,000 and he will not be able to do as he planned. If he waits another ten years, the buying power of his savings will be even more depleted.

The man with a fixed income has savings perhaps of between $25,000 and $50,000. He is a small capitalist. In ten years, with today's rate of inflation prevailing, the buying power of his capital will be cut in half. If a large capitalist has, say, $10 million, the amount required to create a large plant and create 500 jobs, he will find he cannot. In todays international market one must rationalize or specialize. To build a plant of half the size won't do. It would not be able to compete. Eventually, only the state will have the necessary funds and the capacity to own and operate big business. We will then have arrived at a state of complete socialism.

• (1720)

Just think where we are heading. We are heading for the situation which exists in the communist-socialist nations. In Yugoslavia and even Bulgaria a man can own his own home, a plot of land, the tools with which to work it, and a small business. The government, of course, owns and operates all big business. The government will allow an outsider to bring in $5 million and invest it and split the profit. He can take away 50 per cent of it.

Are we not, through inflation and our own greed, rapidly reaching the same place? This is the biggest threat in Canada today. With the drop in money value, millions are unable to live on their incomes, many more are unable to save for an emergency. More still will year by year see their savings depleted; they will be forced into a near-poverty position in circumstances which require government aid. This, in turn, will increase taxation generally and require yet more money from the private sector, making development even more difficult. No matter how well-meaning the government might be, it can never keep up.

If we set out to ensure that every person in Canada received the same proportionate increase in income as the big, powerful unions can enforce, inflation would be far above 10 per cent a year. Inflation is a real threat to our society and, since it causes greater individual economic isolation and greater imbalance as between one area and another, it is a threat to the nation itself. I suggest:

1. That all strikes be made illegal and an offence unless approved by the public as represented by a group of about 40 citizens impartially chosen from the province in question. They would act as a jury now acts to determine rights in both civil and criminal disputes, and as the United Nations seeks to act when two nations are in dispute.

2. That all wages increases above a set amount, perhaps 2 per cent, be illegal and an offence unless approved by a similar jury.

3. That Parliament give a clear direction that unions must assume full responsibility for their actions, as all other persons and organizations in society must do, many of them with less power and less capacity to affect adversely the public interest, by according them the capacity of suing and being sued and making them financially responsible for all damage caused by illegal acts, not only to the employer but to the public.

4. That all unreasonable price increases—and this would have to be established after labour had become a fixed expense—be subject to turnback and penalty or a special tax. I am aware that if wages and salaries are controlled, we cannot leave a slack which somebody else might take up. Prices would have to be legally controlled as well.

Canada is now somewhat alone in the world with respect to trade patterns. All our governments are totally committed to promoting international trade by searching out new markets and urging greater productivity in order to lower production costs. We are in competition with nations such as Japan, whose people are united by group spirit which makes them a tightly-knit family devoted to production at a price acceptable in the international market.

We simply cannot afford the industrial conflict and the inflation which it produces to disadvantage us in world markets. To organized labour I say: I am not speaking against you. I am speaking, I believe, for the vast majority of you, for your wives, for unorganized labour and for all who must live on fixed incomes and who wish to see our economy on a sound, fair and healthy basis and moving forward for the good of us all.

Some will say that the restrictions I propose should be applied to those in essential public service only, at least at first. I find this point of view difficult to accept. Although the two air strikes have harmed the businesses of many people and denied employment to others, with resulting hardship, particularly in Mississauga in my constituency, I am sure that a strike by International Nickel at Sudbury or General Motors in Oshawa would harm just about as many just about as much.

George Meany, who heads the AFL-CIO, said recently that strikes no longer made sense and should be done away with because they are causing increasing chaos and hardship to more and more people, and that strikes by people earning $7,000 a year or more no longer made sense. To them the strike is a double-edged sword. It is good to hear responsible labour speaking out in this way. I expect Mr. Meany's research department turned up the fact that though a member of a union might gain $1,000 a year, much, if not all of this advantage, was cancelled out if one took into account the other side of the ledger—the wages lost while on strike and the increased costs incurred for various products because of other strikes.

Mr. Donald MacDonald, president of the Canadian Labour Congress, when speaking to the Empire Club in Toronto in November, 1968, about stoppages, strikes and lockouts, said:

> This is a price which we have to pay for preservation of the democratic process of collective bargaining and it is a price we are going to have to continue to pay unless and until somebody evolves a better method of settling disputes.

To Mr. MacDonald and members of the NDP I say: Would you be so committed to the use of force if unions were legally responsible for the results of their actions? Mr. Meany suggested binding arbitration. Is my suggestion so different? Workers demanding increases would go before a group of citizens not knowing whether they would be allowed as much as had been offered, or less. In most cases they would settle, knowing they would be dealt with by authority other than straight force.

Some will say it cannot be done, but if our Prime Minister (Mr. Trudeau) can meet with Mr. Kosygin, and if Mr. Nixon can meet with the leaders of China and thaw the ice at least, surely our labour leaders can meet with gov-

ernment and representatives of industry and work out a formula that would be worth a trial. If we were to succeed, we would make our nation the healthiest industrial nation in the world and the change would be for the benefit of all Canadians. If Canadian organized labour does not agree with my suggestion, I hope it will at least look seriously at the advice of Mr. George Meany and resolve to try to find a way of settling disputes which is more civilized, more just than the continued use of the strike and one which will not harm so many innocent people.

Mr. P. V. Noble (Grey-Simcoe): Mr. Speaker, we are told in the Speech from the Throne that it is the intention of the government that many areas of Canada be preserved in their natural state for the enjoyment of this generation and generations to come. Some of the grandeur as well as the wilderness of Canada's north will be guaranteed perpetual preservation through the creation of three large national parks north of the sixtieth parallel. The speech states further that these three parks, plus the seven new parks created since 1968, mean that for the first time in our history every province and territory will include within it a national park for the benefit of our people.

These are worthy ambitions and accomplishments. However, I wish to take issue with the government; they have shown lack of foresight and indifference to park development in my constituency, where an ideal opportunity exists for them to demonstrate to our people the sincerity of their policy to provide recreation areas where people can enjoy them.

• (1730)

The federal government is the sole owner of 17,500 acres in Grey county known as the Meaford tank range which has been declared surplus, and no area could be more ideal than this for park development. The Department of National Defence took over the tank range property on July 24, 1942. The farmers living there were required to vacate over 100 farms. Four schools and two churches were closed. There were 258 acres of apple orchards embracing over 8,000 trees, along with a sizeable peach orchard on Mountain Lake, which were sacrificed.

These people were reluctant to leave their homes. Many of the families and their ancestors had lived there for over 100 years. Furthermore, the price they were forced to take for their property was insufficient to establish a similar operation in another area. There was no consideration given to sentimental values. These people showed considerable loyalty, viewing their sacrifice as essential to the war effort. The area at large suffered a severe loss in the closing off of such a productive farm area.

To this day there is evidence of much sentiment in respect of this property. I have received many letters from people inquiring how they might go about getting their property or that of their ancestors back into family hands. Through this correspondence it was brought to my attention that there was a family graveyard in the range. Burials took place there from 1851 to 1937. The fishing operations from Vail's Point were the means of livelihood for several families. Mountain Lake was a popular place for sport fishing and family picnics. This lake and surroundings is one of the most beautiful areas in Ontario.

The Meaford tank range consists of 17,500 acres. Of this, some 15,000 acres are within impact or danger areas of former artillery tank and anti-tank ranges. Apart from impact areas, there are parts of the range which are known to contain unexploded munitions which strayed from normal trajectory because the shell hit the ground and the ricochet altered the intended impact area. It is difficult to determine how many acres could have spent ricochet rounds on them; it might well be some 1,000 acres. This leaves approximately 1,000 acres which were used for field exercises during which blank ammunition and certain types of training grenades were used. It also includes the roads and building sites. The area used for field exercises is relatively clear. The areas which are being used and are comparatively safe are the beach at Vail's Point, the boat launching area at Mountain Lake and the immediate vicinity of the administrative camp area.

The Georgian Bay shoreline within the confines of the range is approximately 12 miles in length. There are approximately 28 miles of roads suitable for travel by automobile. Ten thousand acres of the range are wooded. Mountain Lake is approximately 1½ miles long and 350 yards wide. The perimeter of the range is 25 miles. In seeking information I put this question on the order paper:

> Does the Department of National Defence have trained personnel qualified to decontaminate the tank range target areas?

The answer was yes. But, as usual, an effort was made to sidetrack the issue by the following statement:

> However, the number is small and there would not be enough qualified personnel to deal with a range decontamination project of such magnitude as Meaford.

In my opinion these are the men who should be doing the visual clean-up while sufficient numbers are being trained to do a complete job. In answer to a question in respect to the water system and the buildings, it was stated these were maintained until September, 1970, but that since that time they have not been maintained. I was informed it would require approximately 10 miles of fence at a cost of $42,000 per mile, to enclose the area contaminated so that the part of the range remaining could be certified safe. Fencing the range, in my view, would be a waste of money unless there were a few acres of known concentrated contamination in need of precautionary measures until an over-all clean-up was completed.

I will not take the time here to list all the questions I asked and their answers because some of them have been made public. However, I do want to say that from March 17, 1970, about the time it was rumoured the range would be closed, until October 15, 1971, I asked 20 questions in the House of Commons in respect of the range and converting it to a national park, and since November 4, 1971, I have had 19 questions answered on the order paper.

The government did work up some concern and agreed to meet a deputation from the Grey county council here in Ottawa at an office of the defence department. The deputation received a briefing in respect of the contamination of the range and it was evident the department was trying to dodge the issue. However, they did agree to give consideration to suggestions the Grey county representatives

might care to make at a future date. It really amounted to a polite brush-off.

The promotion of a park in Grey or Bruce county has been one of my ambitions ever since I entered politics. In fact, on one occasion, after making an appeal to the Pearson government for park development in the Bruce peninsula, a cabinet minister told me: "If the provincial government would make a suitable area available, the government would develop a national park".

We now find ourselves with an area made to order and owned by the federal government. It is apparent from the many representations that have been made in the press, on the radio and by mail to me and to the government that the development of the range into a national park would bring the most benefit to the greatest number of people since the southern Georgian Bay area has been designated as ideal for recreation and tourism.

We are continually made aware of the thousands who visit our established parks, not only Canadians but many from abroad. A park in Grey county would be of easy access to millions of people in southwestern Ontario and the neighbouring states in the United States. It would bring in enough revenue to normalize the economy of the area, which is suffering under present conditions.

As early as July, 1970, the Department of Indian Affairs and Northern Development stated that "its national and historics parks branch considers that the tank range property is related closely to the Georgian Bay Islands national park complex and has a number of desirable features in terms of park use". There is very little shoreline on any lake or waterfront in southern Ontario that is not lined with cottages, and a national park on the range would preserve a few miles of shoreline in its natural beauty. Vail's Point could be developed into an ideal boating and yacht basin, a much needed accommodation in Georgian Bay in these days when more and more yachts ply our waters.

Mountain Lake has a good stock of fish. The 10,000 acres of woods provide good cover and refuge for the deer population and, under present conditions, is a game sanctuary. Excess deer population migrates to other areas where hunting is permitted. It is also a bird sanctuary where birds are not exposed to the many chemicals used so freely these days and which may be responsible for the scarcity of some species, notably the bluebird. It could be a bird watcher's paradise.

There are good ski slopes which the army used for training their ski troops. The existing buildings and the water system would all fit into the scheme of a national park. Visitors could arrive at the park by plane because the flying field and runway are in fairly good shape and could be improved. The range has the potential for a first-class national park and it is conveniently available to the area of southwestern Ontario where we have the highest concentrated population in Canada. These are the taxpayers who are making much of the new development possible.

• (1740)

We have been told the range is highly contaminated and dangerous, yet deer hunting has been carried on annually for many years, not only by the militia but by civilians as well, and they have travelled over much of the area. Many people have trespassed on the range, several as recently as the hunting season last fall. The militia and their friends have fished on Mountain Lake for many years. Snowmobilers have travelled over miles of the range.

Children have trespassed on the range. In answer to a question on the order paper I was told that two boys trespassing on the range in 1951, found a thunderflash and took it home. They removed the powder from the thunderflash and put a match to it. Both boys were severely burned when the powder exploded. This is the only recorded accident after 25 years of excessive trespassing. Happily, both boys recovered. The time will surely come when the people of the country will demand a clean-up at the range and some government is going to see that the job is done.

Does this government think that the people of the day are going to reconcile themselves to living with the fact that the largest part of the range will be left with its contamination for five generations or more? According to the opinion of the defence department, this period of time will necessarily have to expire before any degree of safety can be assured. Or, Mr. Speaker, are we going to insist the whole area be cleaned up in the same way we are eradicating pollution from the rest of our environment? The range was contaminated by the militia during the training of troops who were required to preserve freedom for Canada. This was a worth-while and necessary function. Now, after declaring it of no further use militarily, the government should have no hesitation in cleaning it up and returning it to the civilian population.

The information on file in the defence department indicates that the locations of 684 unexploded shells are known and the locations of 90 unexploded shells are not known. Furthermore, many of the shells are confined to the Sucker creek gully and the Hogshead at the west end of Mountain Lake. I was privileged to travel to all parts of the range which were accessible by automobile, in the company of an army officer. During the tour he pointed out many shells in the target area lying on the ground and some partly buried. It was my understanding that when a shell or other explosive was fired but failed to explode, its location was marked on a map.

I maintain the task of cleaning up the range can be accomplished, and for much less than the $150 million the government has estimated. This is a convenient figure used to discourage or delay any action on a clean-up program. This observation was confirmed by officers who spent many years in the militia. The Department of National Defence has personnel who are experts at locating and disposing of unexploded munitions, and the flimsy excuse they use in answering my question on the matter cannot be justified. If more men are needed, it is only a matter of selecting men to take the necessary training.

It is certainly a fact that it will be a dangerous job, but personnel of our militia are trained to protect our people in any emergency or existing national danger. The tank range contamination is no exception. The problem was created by the militia, and it is their responsibility to clean it up. At this point, I would like to quote from the Armed Forces Review, Ottawa Report on the White Paper on Defence:

On the problem of getting the public to support a bigger defence budget the cabinet apparently senses that the public, in general, is apathetic about its armed forces and in order to justify an increased budget, the paper is trying to find something for the armed forces to do that is obviously peaceful and constructive.

Now, Mr. Speaker, the decontamination of the tank range surely qualifies as a peaceful and constructive project. In fact, it would be a challenge to the armed forces if they were given an opportunity to make it a reality. The government needs to display a little intestinal fortitude and get on with the job. In Grey county and surrounding counties there is practically unanimous agreement that the danger to humans on the tank range should be removed at the earliest possible date and action taken toward park development before the facilities there deteriorate any further. A Conservative government will not hesitate to enact the necessary measures to restore this beautiful area to the civilian population to whom it belongs.

[*Translation*]

Mr. Yves Forest (Brome-Missisquoi): Mr. Speaker, first I want to congratulate the mover and seconder of the Address in reply to the Speech from the Throne, the hon. member for Bruce and Trois-Rivières (Mr. Whicher and Mr. Lajoie).

The first, with his customary dynamism and eloquence, recalled the major achievements of the federal government, particularly in the field of social security, and mainly through fiscal relief, of the increase of old-age security pensions by the guaranteed income supplement, of the increase in pensions and allowances paid to veterans, etc. and our colleague, the new hon. member for Trois-Rivières, also made a very outstanding maiden speech, which is to his credit.

Mr. Speaker, the Speech from the Throne dealt with the main issues of concern and interest to all Canadians at this time, such as the economy, industrial development, unemployment, exports, housing, agriculture, penal reforms, family income security, labour, the status of women within Canadian society, etc.

In order to cope with economic problems and support the expansion which has been making itself felt for some time already, to keep our competitive position on world markets, closer co-operation between government and the business and industrial sectors is envisaged.

In my opinion, such co-operation is essential and is auspicious as the private sector will always supply most of the jobs and investments required for continued growth likely to give adequate impetus to all activities essential to the welfare and security of Canadians.

In a world where increasingly broader coalitions are being formed, often excluding us or at least placing us in an unfavourable position, and with a necessarily limited domestic market, we must absolutely aim for efficiency by putting science and technology to full use in order to assist such firms as are not afraid of innovating.

That task is one of the greatest challenges now facing Canada. That is what is called industrial strategy to be designed in keeping with characteristics peculiar to the Canadian economy and which will soon be announced, as the Hon. Minister of Commerce, Trade and Industry (Mr. Pepin) stated here yesterday.

[Mr. Noble.]

Fortunately, Canada has numerous resources, the development of which surely spells progress; still, only orderly development, coupled with co-operation by private enterprise can ensure the evolution of our economy toward standards that better suit the needs of the future.

In the last few years, we have expected too much from our economy and we must avoid burdening it with expenditures that are unreasonable or rules that are too rigid in a country that is so vulnerable to foreign competition. Still, the co-operation must come not solely from the government but also from the representatives of industry and unions who must agree to avoid the turmoil of strikes which finally help no one and harm the Canadian people as a whole.

Forming industrial committees or councils in the various industries, groups composed of reputed experts from the three sectors who would study the various problems ahead of time, who would make recommendations on production, prices, wages, etc, strikes me as an excellent idea for we should all realize that an efficient formula must be found, before long; otherwise, we will eventually have to resign ourselves to controls—not voluntary at that—over prices, incomes, wages, with all the consequences that would entail, especially with regard to growth, investments and initiatives.

Thanks to intelligent planning, to our work and sacrifices, to discipline and common sense, through wiser use of our resources and co-operation, by remaining united instead of divided, we will surely give Canada the future it deserves, though there are now only twenty-odd million of us who live side by side with the greatest economic power in the world endowed with a domestic market of over 200 million people.

Mr. Speaker, to replace the now outdated and somewhat discredited Combines Investigation Act, the Speech from the Throne did announce the introduction of a newly revised and improved Competition Act along the lines of a bill which passed first reading during the session which ended a few days ago. This is to get to know the views of all those concerned in accordance with the participatory policy of this government—and indeed many representations have been and still are being received.

• (1750)

The purpose of this new legislation will be to protect consumers against truly harmful commercial practices without, however, inhibiting business operations, considering that agreements between individual companies are often useful and may even become a necessity.

Serious reservations have been made with respect to the proposed legislation, especially in connection with the duties and powers of the court which is contemplated and with the suggested procedure. The forthcoming consultations, as well as the consideration and discussion in this House and before the committee, should enable us to pass this legislation so vital in a field which is so important to the Canadian economy.

Mr. Speaker, a few months ago all the free countries of the world were faced with an economic crisis which for several of them was followed by radical changes but due to the foresight and shrewdness of this government our country has gone through this difficult period with far

fewer problems than most other industrialized nations. And according to the latest forecasts by international economic experts from the Organization for Economic Co-operation and Development, the prospects in Canada for 1972 are excellent. An increase in the actual Gross National Product is expected, and it is believed that our country—and that without any mandatory control—has maintained the lowest rate of inflation among all member countries of that international organization.

Since we now have the highest ratio of labour as compared to the population, and in view of the ever rising participation rate mainly as a result of greater and greater numbers of women entering the labour market, the rate of unemployment has reached an alarming level despite increased economic activity. That will remain the constant concern of the government, as is mentioned in the Speech from the Throne. It must be noted however that more Canadians than ever before are working and that over 200,000 jobs were created during the year.

Besides, the most recent figures released a few days ago show that 25,000 jobs have been created in January 1972, and that over the past four months only the number of jobs has increased at an annual rate of 5 per cent, which represents an unprecedented rate of increase for this time of the year.

The various machineries introduced by this government ought to further decrease the rate of unemployment, when the effects of the subsidies of the Department of Regional Economic Expansion, in aid to industry, make themselves increasingly felt and also when thousands of jobs are provided this winter through the excellent Local Initiatives program.

Mr. Speaker, it is clear that this new program is greatly successful everywhere. In my riding, especially, the people have welcomed enthusiastically the possibility to submit projects of their own corresponding to local needs, which meets requirements that had been felt for a long time in the various communities.

Over half a million dollars have been allotted to date for the different jobs and I congratulate the officials of the Manpower and Immigration Department who have approved valuable and constructive projects. I also congratulate the various Manpower Centres that have greatly helped in preparing and putting into effect various projects.

The "Opportunities for Youth" program was also greatly appreciated last year. Thanks to the experience which was gained, this program will surely be improved and, considering the additional credits available for student employment next summer, thousands of them will be able to find jobs and the help they need to continue their studies.

Mr. Speaker, before going on to another subject, I would like to call it six o'clock.

[*English*]

ROUTINE PROCEEDINGS

NATIONAL DEFENCE

WHITE PAPER, "DEFENCE IN 70S"—REFERENCE TO STANDING COMMITTEE ON EXTERNAL AFFAIRS AND NATIONAL DEFENCE

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I move, seconded by the Minister of Energy, Mines and Resources (Mr. Macdonald), that the white paper entitled—

Mr. Deputy Speaker: Order, please. I should ask the chamber if there is unanimous consent for the minister to move a motion. Is there such consent?

Some hon. Members: Agreed.

Mr. Sharp: Mr. Speaker, I move, seconded by the Minister of Energy, Mines and Resources, that the white paper entitled "Defence in 70s", tabled on December 7, 1971, be referred to the Standing Committee on External Affairs and National Defence.

Motion agreed to.

[*Translation*]

The Acting Speaker (Mr. Honey): It being six o'clock, I do now leave the chair. The House will resume proceedings at eight p.m.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed consideration of the motion of Mr. Ross Whicher for an address to His Excellency the Governor General in reply to his speech at the opening of the session and the amendment thereto of Mr. Alexander (p. 212).

Mr. Forest: Mr. Speaker, just before recess, I had time to speak briefly of various matters mentioned in the Speech from the Throne, such as our economy, future legislation on competition, the unemployment rate and the excellent results of the Local Initiative Programme in my constituency.

During the recent recess of Parliament, I met several small businessmen who informed me that assistance to existing industries was inadequate, that it is quite difficult to get a loan from the Industrial Development Bank or chartered banks under the Small Businesses Loans Act and that an agency should be set up to assist them in obtaining loans in special circumstances at more than reasonable rates, in order that they may overcome certain problems, finance profitable projects etc. I believe that

suggestion deserves consideration by this government as additional assistance to industry.

However, the textile industry remains the main employer in my constituency, as in many other communities in Quebec and Ontario, and I have always taken an interest in this matter, like most of the hon. members concerned.

• (2010)

The textile industry is an extensive Canadian endeavour which provides 95,000 jobs in the primary sector, and more than 100,000 in the secondary sector. Fortunately, the government has realized that that industry, which had made constant efforts and large investments to improve its equipment and its techniques, and which can favourably compare with similar industries in other countries, except low-cost countries, needed a new orientation, and it implemented in May, 1970 a national textile policy which has so far had beneficial effects; some imports have decreased or are under greater control.

That industry needs a large labour force, and it is essential that it be protected, for I cannot fathom how it could be replaced, and its production and employment potential remains great.

Thanks to the efforts of the government and the industry the situation improved in 1971 as compared with 1970 and in the primary textile industry, for instance, employment increased by 3,725 between May 1970 and September 1971.

Forecasts for 1972 are optimistic provided consumption stays at its present level and the economic climate keeps improving. This is the opinion stated last month by the Canadian Textile Institute which admitted that the government's policy had encouraged industry, restored its confidence and stimulated investment. But improvements are still required since industry accounts for slightly more than half the total market of textile products and, per capita, we are importing much more than the United States, Great Britain and the European Community and this is an abnormal situation.

Lately, I was surprised to find that our trade balance with Japan was more or less on a par and even unfavourable this year, a situation which I think uncceptable while we are exporting almost exclusively raw materials required by that country and importing manufactured products such as textiles, electronic components, etc. which we could mostly produce here.

But there are other countries. I found yesterday while studying the latest statistics published by the *Montreal Gazette* that with Hong Kong and Taiwan our situation is even worse and, in one case, it was mentioned that last year we had been importing for over $80 million while exporting a bare $12 million. As other countries, it is high time that we take positive and efficient steps to protect our interests by setting in advance an acceptable level of importation and that we have an overall control policy regulating our imports from low-cost countries instead of relying on individual countries' action, a system which never worked.

Finally, our textile products policy should be announced in advance and for a rather long period of time so that this industry may plan its projects and investments.

[Mr. Forest.]

Mr. Speaker, agriculture also involves a good many people in my riding, especially the dairy industry, and the dairy products price support plan has had beneficial effects and has brought about increased stability in our dairy farms. The producers I had the pleasure to meet recently seemed satisfied with recent improvements. The higher grants and larger quotas, the ordely marketing, the co-operation between producers, are all factors which helped increase the returns from industrial milk production. The average income which was $4.64 per hundredweight in 1967 is now up to $5.40; all the surplus milk that glutted the dairy market has now disappeared and the average production has greatly increased.

There still remains the problem concerning feed grain and its prices. This is a complex problem as I have seen it after meeting with representatives from the Catholic Farmers Union, etc.

The right hon. Prime Minister (M. Trudeau) in a speech he delivered to the Federated Co-operative in Montreal last February 2nd discussed the subject at length. He suggested possible solutions and I hope the equalization formula that was put forward will finally prevail.

The small farm development program announced in December will give the small farmers who want to remain as such the opportunity of building up profitable operations. The federal policy favours the family unit which is the best form of farming.

The national marketing Act will allow producers in several branches of agriculture, if they so desire, to work together and plan and organize the marketing of their products.

Mr. Speaker, the Speech from the Throne announced that the government pledges participation in legal aid. I trust steps will be taken to ensure that the provinces can extend the legal assistance that is already available, although almost exclusively in the larger centres and to a limited number of citizens, precisely because of limited means.

Mr. Speaker, although no mention is made of it in the Speech from the Throne, I expect the government will soon introduce a new bill concerning bankruptcies and insolvency, so that a more coherent and complete system can be set up that is better suited to the needs of our times. The Bankruptcy Act was last amended in 1966; since then, improvements were made in the managing of bankruptcies, but too many of them are still questionable or insufficiently controlled.

A study committee under the chairmanship of Mr. Roger Tassé tabled a report several months ago and made quite relevant suggestions. To my mind, the matter of introducing a new bill is pressing so that it can be studied and discussed as soon as possible by all interested parties.

Mr. Speaker, the Speech from the Throne announced several other interesting proposals which I shall not have time to discuss this evening. I am referring to the continued development of our national resources and the Canadian north, the promotion of more imports although these have already reached a record level, especially thanks to the participation, work and comptence of the Minister of Industry Trade and Commerce and his officials, which have earned him the admiration and respect of all Canadian industrialists.

The Speech from the Throne announces an elaborate, ambitous, exacting program which at times calls for long term solutions; still, they are appropriate under the circumstances, they meet the present needs of the country and its citizens and this program, Mr. Speaker, will get the support of all Canadians.

Mr. Speaker, before concluding my comments I would like to deal with a major problem affecting the constituencies of Brome-Missisquoi and Saint-Jean, that is the spring floods along the Richelieu River which especially those last years have caused considerable damage to the riverside residents and to all farmers whose lands are bordering the river and its tributaries in an area particularly suitable to farming. They have caused millions of dollars of damage and I realize that it is a complex problem as it concerns mostly the provincial government and the federal government to some extent and on account of the effect of these floods on the level of Lake Champlain the American authorities. I hope that the steps taken by my hon. colleague from Saint-Jean (Mr. Smith) and myself in co-operation with all the private agencies of the area will prompt the authorities to settle that problem as soon as possible.

Mr. Roch La Salle (Joliette): Mr. Speaker, I would like at the outset to congratulate the hon. member for Bruce (Mr. Whicher), the mover of the Address in reply, and the seconder, the hon. member for Trois-Rivières (Mr. Lajoie).

As usual, the hon. member for Bruce has made a rather remarkable speech. As for the hon. member for Trois-Rivières, he has shown in a brillant fashion that he is deeply interested in his constituents.

With many others I recognize that the Speech from the Throne has set some great objectives.

• (2020)

There is talk of increasing the national wealth through the development of a global industrial strategy and a more judicious use of science and technology, of asserting Canadian identity and protecting the environment, of developing and improving the quality of life for Canadians through better social laws and an improved legal system.

Such are the great objectives which this government has proposed to the Canadian peolein the Speech from the Throne.

I should like to take this opportunity, Mr. Speaker, to make a few remarks. I shall perhaps be severe occasionally but I should like to be most fair and pragmatic.

Considering the results for the past four years, surely I will not merely say that this government has not done anything. Surely, there have been efforts. We have and also certain difficulties, disappointments and achievements. Obviously, we cannot absolve this government so easily, considering that in 1968, this country had 300,000 unemployed and that today, this figure has swelled to 650,000.

On the other hand, I must admit that efforts have been made, at times in the field of textile products, at times in that of tax reform, which had long been needed. In agriculture some greatly appreciated changes took place and the Minister of Industry, Trade and Commerce (Mr. Pepin) has adopted a very sensible policy with regard to exports.

I have always been fascinated by the policy of the Department of Regional Economic Expansion which, taking into account the subsidies paid to Quebec, my own province, has given special consideration to regional problems. There again, the Local Initiatives program is a good policy. Unfortunately, it is too much of a short-term one which nevertheless has resulted in the creation of some jobs.

One must not forget either Bill C-262 with regard to the $80 million provided to fight the American surtax, with success, I believe.

Nevertheless, Mr. Speaker, we must admit that those measures were appropriate and that an effort has been made. Did the results prove adequate? Did those efforts restore in Canada that economic stability which all of us are longing for?

Of course, there are two types of major problems: economic and constitutional and I should like to deal with them briefly. Indeed, I am convinced no hon. member would condemn a policy of full employment. But it seems to me that none of us has found the magic solution that would all at once bring about a policy of full employment.

We all agree to such a policy just as much as we agreed to the setting up of a just society. Nevertheless, it seems to me that with a little objectivity and co-operation we could get closer to this just society.

As far as stabilizing the economy of Canada is concerned, I had the privilege from time to time to recommend to the government many meetings with businessmen. Tonight I read in a newspaper that more than 1,000 Canadian businessmen will convene in Ottawa in March and April to meet Canada's High Commissioners for Trade. These conferences will be preparatory to meetings with the Minister of Industry, Trade and Commerce, at which a solution to the slump in business will be considered.

It would certainly be important also to meet with the leaders of labour and employer organizations. I suggest that the government would have everything to gain by meeting these industrialists and businessmen more often than he has done to date. I have had the opportunity to ask that a summit conference be held on the subject and I do realize with great pleasure that efforts are made in that area.

It is obvious that no solution is forthcoming from this government. It is also obvious that opposition members or opposition parties have not found any solution either.

I believe the only way to create an appropriate economic climate would be to have the Canadian people participate in the decisions that must be made, by telling them about the difficulties the government is going through at the present time.

There is no shame in recognizing one's own inability to find a solution which has not yet been found. Should I ask the government to recognize their inability to bring forward such a solution, it might cause laughter among some hon. members, but I am sure that admitting one's own inability in finding the necessary solution in front of the Canadian people would be a proof of courage and honesty.

It seems to me we have reached the point where the government really needs the advice of experienced businessmen and I believe that the solution probably lies there. A better informed public would show much more understanding and I believe that members of any party in the House could be invited to cooperate with the government more than we have up to now, all for the common good.

We have been looking for all kinds of solutions; short term solutions were devised. I had the opportunity and the privilege to offer and suggest some measures to the government. Tonight, I should like to ask the government to pay more serious attention to old age security and to availability of benefits at the age of 60. I know that the Speech from the Throne mentions social security measures. However, no details were provided as to whether the government intends to introduce a bill allowing people 60 years old to go into well-deserved retirement and receive, of course, an income exceeding by far that which is granted today. Considering that 300,000 or 400,000 people are aged 60 to 65, such a measure would greatly decrease the rate of unemployment and, at the same time, bring closer at hand a favourable social climate, because it is the government's responsibility to grant holidays to those who deserve them and to provide jobs for those in the working age group.

I should also like to call the attention of the government to the withdrawal of the 11 per cent tax which has repeatedly been mentioned in the House. I believe that it is the responsibility of each member of this House to remind the government that this measure apparently concerns each sector of the building industry; therefore, the government should approach those sectors directly or indirectly associated with construction and, with their co-operation, try to provide a credit large enough to bring about an increase in the number of housing units in Canada, subject, of course, to certain conditions. I still believe that the removal of this 11 per cent tax would result in new housing starts.

Mr. Speaker, I had an opportunity to read carefully some of the proposals pertaining to recreation which the responsible minister, the Minister of National Health and Welfare (Mr. Munro), had in mind in connection with his future policy.

I noted today that the Minister of National Health and Welfare announced a $222,000 grant for four hockey programs in Canada which will be carried out during the winter. I think this is a timely grant and a very desirable policy. However, I would like to draw the attention of the Minister on the possibility of allocating certain monies to the construction of covered skating rinks or arenas in various municipalities in each province.

• (2030)

Having been active in sports circles for many years, I am sure several municipalities would be much interested in the building of skating rinks that would not necessarily be equipped with artificial ice as it is very costly. Nevertheless, I believe projects from $75,000 to $100,000 would be possible in thousands of Canadian municipalities.

The minister responsible for that should consider the possibility of establishing credit, 50 per cent of which would be provided by the federal government. It could be discussed with the provinces. They could assume 25 per cent of the expenditures and I am sure the municipalities would be willing to pay 25 per cent. I think such a policy would create employment. Materials would have to be used to a certain extent and the project would enable hundreds of thousands of young hockey players to practice their favourite sport and it would enable Canada to train young people and keep them busy playing hockey.

I again emphasize the need for filtering plants in municipalities anxious to fight pollution. Indeed, it will always be in order to consider the possibility of issuing credits for such purposes and I always believe it would be good policy.

I said a while ago that agricultural measures had been passed these last years. I am referring in particular to Bill C-176 which is an indispensable tool to ensure the marketing of farm products and which was, I believe, one of the most useful legislative measures passed in this House during the last four years.

I should like just the same, Mr. Speaker, to say that Bill C-176 is but a tool, that its value will depend upon what the people responsible for its implementation will do. If we consider our experience with the feed grain policy in force for many years, I believe that Bill C-176 will be just as important.

No doubt, the government will soon change this policy so that eastern producers can enjoy the same benefits as their western counterparts, if we really want to have fair competition.

Bill C-176 will not be very effective unless the feed grain policy is changed. I appeal here to all eastern members, who I think know the problems of farmers, and especially of producers without an income who have been faced with this problem for a number of years and who consider this policy as discriminating against the producers of one area of Canada.

I do not think that eastern members have ever hesitated to approve grants to assist western producers, and I think our duty as eastern members is to ask our colleagues from the West to support our demands for changes which will be equitable for all producers.

I would also like to bring to the attention of this House the necessity for the government to seriously consider creating the new department which I had requested. I have already asked a question of the Prime Minister (Mr. Trudeau) on this matter. He told me, without leaving me much hope, that a new minister of state attached to the Department of Agriculture would be appointed to represent eastern Canada.

In view of the complex problems of agriculture, I think it would be most advisable for eastern Canada to have a representative in the cabinet who would be in a position to discuss subventions. Moreover, if a minister of agriculture for eastern Canada was appointed, I think western Canada would also be entitled to have a minister of state who would be their official representative in the cabinet for agricultural problems.

In view of the existing complex problems, I think that all Canadian producers would welcome such an appointment.

I noticed in the Speech from the Throne that the government intended to introduce legislation regulating cigarette

advertising. I hope, Mr. Speaker, that the government will tackle to a greater extent the problem of educating the young or the public at large on the dangers of cigarettes, but I would expect above all that it will not limit itself to harassing the sectors directly related to tobacco. Having received many recommendations from my constituency and realizing that nearly all producers of cigarette tobacco in Quebec are in my riding, I often had the opportunity of talking with them. I know that the bill introduced last fall has caused them great concern, and I always wondered why the minister had not first taken the initiative of meeting the Canadian cigarette manufacturers. In my opinion, that question could have been resolved without alarming the whole sector involved in the production of cigarettes in this country. I dare say that an education program along those lines, similar to that on alcohol, should be desirable. An education program on cigarette tobacco could be launched.

Knowing full well that the special or designated areas will be reviewed on June 30, I shall take advantage of this opportunity, of course, to talk about my riding which has had the advantage and privilege of being recognized as a designated area. I should therefore ask the Minister of Regional Economic Expansion (Mr. Marchand) to pay special attention to conserving that designation; I would even dare ask a more special designation that might entail even more interesting advantages. The minister, who gave a favourable reply two years ago by recognizing a designated area in my riding, will surely not hesitate, considering the present economic situation which is as difficult as elsewhere in Canada, to consider the importance of the request I make on behalf of my electors.

Mr. Speaker, I wanted to make those few remarks. In the time I have left, I shall say a few words about a problem which may perhaps affect Quebec more particularly, that is, the constitutional reform. As a member from Quebec, it is my duty to fight for the interest of that province like all the other Quebec members who work here. I recognize that all the members of other provinces first have that responsibility; to my mind, we can perform our duties only by looking after the interests of our area, before and above all else, because in any event Canada benefits from it.

After four years, I must deplore the fact that not much progress has been made with regard to the constitutional reform. Must I point out, for the guidance of the members from the other provinces, that it would be enough to study once again the briefs presented at the federal-provincial conferences in the last ten years by the two political parties in power in Quebec, to know exactly what Quebec wants, and on what conditions Quebec can keep on hoping to live within the present system. I am thinking about the changes that have taken place in the last several years. Today, not only Quebec, but other provinces also, talk about decentralization of power and, in my view, Quebec has submitted some briefs that are weighty enough to show that it is imperative that such a policy of decentralization be introduced.

Mr. Speaker, I feel that, in fact, it is up to the Quebecers here in the House to establish such a policy. I must deplore the fact, however, that after four years it has not yet come about. I felt optimistic at one time, because of the large number of Quebec members on the government side and in the cabinet, and I believed that, because of this, an agreement could be reached between Quebec and the federal government.

• (2040)

I must now deplore that as far as telecommunications, social policies and family allowances are concerned, there has been and there are still some misgivings. I must also deplore the fact that the positions of the Quebec Minister of Health concerning family allowances have not been immediately endorsed.

Apparently other problems have arisen in connection with the policy recently announced by the Minister of Agriculture (Mr. Olson) on the repurchase of small farms.

I have every reason to believe that the role of a Quebec member is to support Quebec's demands. I am aware of the co-operation that existed during the 1970 elections in Quebec between the federal and provincial Liberals. I must say that I am quite disappointed to note the lack of support given to those demands by the Bourassa government. I do not say that Quebec has not received grants. During the past four years, I think that Quebec has never received so many grants under various well conceived and justified policies for Quebec. But I think that is not enough because it will take more than short-term grants to please Quebec.

It is also important for a Quebec member in the House to inform hon. members from other provinces. I recall that in April 1970 I took the liberty of saying 15 days before the provincial elections that on account of the federal government's procrastination 20 per cent of Quebecers would probably vote for Quebec's secession. Many hon. members and newsmen were amused, but on the day following the April 29 elections they admitted that my forecast had not been that far off. Try as hard as we can to hide the two-nations problem and the principle of the particular status or the legislation that is of particular interest to Quebec, I feel it is a step backward to refuse to face this problem and discuss it in this House.

I am hopeful that the report on the constitution will be presented soon, according to the answer the Prime Minister gave me this week in reply to a question I asked him. Once this report is tabled, I hope we will succeed in bringing about a debate on constitutional reform. I know an election is near at hand. Perhaps it is not quite fair to speak of constitutional reform at this time, but I feel it is my duty to inform hon. members that it is imperative for the future of Canada to seriously consider Quebec's demands and for every Quebec member to inform his colleagues from other provinces instead of trying to make them feel that those who believe in the independence of Quebec are few in number.

The figures are there and I believe constitutional changes might really prove to Quebecers that their future is still in Canada. We would thus have done something positive. These remarks are being made in that spirit, in order first of all to invite hon. members from other provinces to realize the situation prevailing in Quebec.

I recognize that certain provinces require special legislation as we realize that differences exist between provinces. I feel that Quebec also must succeeed in having its differences accepted and if we seriously accept such

recognition we will be contributing to building a better Canada.

Allow me, Mr. Speaker, to call upon the federal government's special co-operation for the James Bay development project which has been discussed for several days in the House. I trust that those who made comments did so in a positive manner.

The James Bay development project is specific to Quebec. It will benefit the country as a whole. The federal government should also offer its co-operation by way of services, grants and loans in order that the government of Quebec may actually find the amounts required to carry out this project in Canada.

Before closing, I should like to mention that the Speech from the Throne makes no mention of a reform which is essential in this Parliament. It has to do with limitation of debates. I know the government attempted to introduce such an improvements. Once more I appeal to objective hon. members, asking them to give serious consideration to "limitation", "scheduling" of debates. There is a tendency to plan everything today, and I believe we have omitted to program ourselves. It would be well that hon. members seriously consider limiting debates in order to give Parliament greater efficiency. I do not feel we can continue to speak of efficiency in view of the time we have wasted since I have been in the House.

I sincerely hope, Mr. Speaker, since my time seems to have expired, that my remarks will get particular attention from those who are responsible for the policy to be worked out to correct some shortcomings that we have in this country. I am confident that my appeal, both to hon. members from Quebec and from other provinces, with respect to economic and constitutional problems will receive special attention from everyone and lastly that the Parliament of Canada, through serious and effective programming, will succeed in getting back the confidence of Canadians, through serious work that will give them satisfaction for the benefit of our country, Canada.

[*English*]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I enter this debate on the Address in Reply to the Speech from the Throne for the distinct purpose of once again making an earnest plea to the government and to this Parliament for a massive effort to improve the lot of our pensioners, indeed, of all our older and retired people.

Mr. Thompson: They have never had it so good, to quote the Liberal mover of the Throne Speech.

Mr. Knowles (Winnipeg North Centre): I hear an interjection immediately that they have never had it so good—

Mr. Faulkner: From the Tories.

Mr. Knowles (Winnipeg North Centre): —and I am prepared to say, indeed I am prepared to assert, that it is a lot better to be an old person today than it was 25 years ago. But as a Liberal member said earlier today, that is not the point. The point is that we should be making of the later years of our existence what the poet Robert Browning had in mind when he said:

Grow old along with me!
[Mr. La Salle.]
The best is yet to be,
The last of life, for which the first was made.

I welcome as strongly and as warmly as I can all the things that are being done to meet the problems of our youth. I welcome the Opportunities for Youth program of last year and I am glad there is to be one this year. I think there are a great many things we must do to make life more hopeful, more promising, more exciting for the young people of this country. I should like to suggest that one of the ways that we can contribute to a better life for our younger people is to make it possible for many more of our older people to leave the labour market so there will be more jobs for those who are younger.

Let me make it clear that I am not asking just for an increase here or an increase there of a few dollars in one pension or another. I am not asking just for supplements on a means test or an income test basis. I am not asking just for pensions to be raised so people can maintain the level of existence they have had. I am asking for a massive effort to make old age one of the best and most exciting periods of life.

I suggest that one of the ways to do this, one which fits in with an acceptable, decent and civilized philosophy of life, is to accept the fact that there comes a time when people ought no longer to have to work to stay alive but, having made their contribution, they should have a sufficiently high guaranteed income to engage in pursuits that will make life interesting for them and that will contribute to the excitment and the interest of life as a whole. I am asking the members of this Parliament to get over the notion that when we talk about old age pensions all that is meant is welfare or supplements or sufficient dollars to keep body and soul together. I want us to talk about old age as a portion of life that should be made the best of all the years we are on this earth.

Therefore, Mr. Speaker, I think the time has come for this Parliament to look at all the pension plans that come under our jurisdiction; indeed, to look at the whole question of pensions in our society and not be satisfied with just a piddling increase here or there. The time has come to review and upgrade all our pension plans, making them programs that will produce the kind of life that I have suggested for all those of older years.

I intend from this point on to be specific and to make suggestions that I think should be accepted regarding the various pension plans that come under the jurisdiction of this Parliament. I refer, first of all, to the Old Age Security Act. I still think that when that act was first passed and came into effect on January 1, 1952, it was one of the most advanced pieces of social legislation ever passed in this country. That act still is, in its basic elements, an advanced piece of social legislation, but some of its virtue has been lost by the introduction of an income test into part of the pension paid under it.

• (2050)

I think the time has come for the pension payable under that act to be raised to $150 a month across the board, without any means test or income test in it at all. I also urge that the escalation of the pension be re-established for everyone. At the present time the escalation applies only to those people who get a guaranteed income supple-

ment on top of the $80. This means that those who get only the old age security pension have it fixed at the $80 level until Parliament decides otherwise.

I suggest that an escalation element should be restored to the entire pension and that it should not be an escalation limited to 2 per cent per year. When the cost of living is increasing by 4 per cent or 5 per cent per year, to raise the pension by only 2 per cent per year is to condemn the recipients of it to a losing battle. The least that should be done is that the pension should be increased each year by the full amount of the increase in the cost of living.

I go further than that. In these better years that I am talking about, our older people are entitled, not to only enough to keep up with the standard of living that they had when they went on pension, but to share in the increased standard of living. They are entitled to share in our increased gross national product. We should find an even better formula than the cost of living index for our pensions, bearing in mind that what we should be talking about is not pensions as a form of welfare, just so many dollars to keep a person's body and soul together until he dies, but we should be making that period of life one of the best in human existence.

Not only do I call for the old age security pension to be raised to $150 a month and for a proper and adequate escalation feature to be reinstated, but the time has come to write into the act a provision enabling anyone who meets the other qualification, namely, a certain length of residence in Canada, to draw the pension at age 60 provided he is prepared to leave the labour market or is out of the market, as is the case with many people, particularly spouses of pensioners.

This is a theme I shall repeat as I talk about some of the other pension programs that come under our jurisdiction. I have also heard it suggested tonight and during the course of this debate by others, in passing. I am making it the whole burden of my speech. The time has come, not just to retire a few people here and there so there can be a few jobs for 25-year olds, but to make a massive effort to make it possible for people age 60 or over to leave the labour market in order to pursue other things which would make life interesting for them and to create more jobs at the other end. It will not only create jobs for those of younger ages by virtue of the fact that if a person who is older leaves a job, somebody else can move into it. If one accepts the kind of program I am advocating, namely pensions that will enable all our people to live in decency and dignity in their retirement, it is going to cost something. In fact, I am surprised there has not been an interjection already asking from where the money is going to come.

If the kind of program I am advocating is put into effect, a lot more work will have to be done to produce the goods and services to enable the older people to live without working. It might even require the employment of about 650,000 people. I suggest that is something we need in Canada today, with that number now unemployed.

One of the ways to meet the objective stated by the Minister of Finance (Mr. Turner) this afternoon, namely, that he does not want to see even one person unemployed in Canada, would be to accept the kind of program that makes it possible for people aged 60 and older to leave the labour market. Work will have to be done to provide for their needs. In this way jobs will be created for those of working age.

I move on to the Canada Pension Plan. Here, too, there should be some major amendments. One of them is a change such as I have been suggesting for the Old Age Security Act, namely, making it possible for persons who leave the labour market to draw their full Canada Pension Plan benefit at age 60. We already have that principle in the Canada Pension Plan. One already receives it automatically at age 70, but anyone can get it at age 65 if he leaves the labour market.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I suggest that principle be extended by permitting all those who leave the labour market at age 60 to draw their full Canada Pension Plan benefit at that time. I am trying to emphasize that with pensions of this kind, $150 a month old age security and full Canada Pension Plan benefit at age 60, there would be an inducement to many people in that age bracket to leave the labour market, let alone the fact it would solve the problem of those who are forced out of the labour market by today's economic conditions.

I also urge that the Canada Pension Plan be amended, as suggested by the Royal Commission on the Status of Women, to make it possible for married women who are at home to draw benefits in their own right under the Canada Pension Plan. There are various ways this can be done. Payments can be made by them or for them. The principle is one that I think is right. I commend the Royal Commission on the Status of Women for having proposed it. This is something we should do at the earliest possible moment.

If we were to make just these two sets of amendments I have talked about, amendments to the Old Age Security Act and the Canada Pension Plan, there would be enough pension money available at age 60 for thousands of our people, for thousands of married couples, to encourage them to retire. It would have a real effect on the employment situation as well as on the goods and services that would have to be produced. I suggest that on all counts it is an economic move that we would be foolish not to pursue without further delay.

In passing I should like to say a few words about one other pension plan that comes under our jurisdiction, one that we do not refer to very often. That is the pension for the blind. In the old days, the Old Age Security Act, the Old Age Assistance Act, the Blind Persons Act and the Disabled Persons Act were dealt with concurrently. If the pension under one was increased, it was done under the others. We have altered all that. The Old Age Security Act is on a different basis and the Canada Assistance Plan has taken over from some of the others. In the process, the pension under the Blind Persons Act has stayed where it was, at a basic $75 a month. The least we can do for our blind people is provide them with the kind of pension I have talked about. Like the old age security pension, the blind pension ought to be $150 a month. I urge that there be such an amendment to the Blind Persons Act.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I come now to the Public Service Superannuation Act and the pensions we pay to retired federal civil servants. This general phrase can be taken to include retired Royal Canadian Mounted Police personnel, retired personnel of the Canadian armed forces and many other groups of people who come under various federal pension plans.

Mr. Guay (St. Boniface): And change the CNR pension.

Mr. Knowles (Winnipeg North Centre): I am coming to that, and all the rest of them. If I miss any before I am through, the hon. member can let me know.

Mr. Guay (St. Boniface): I am with you all the way.

An hon. Member: Except when it comes to a vote.

Mr. Guay (St. Boniface): Then, too.

Mr. Knowles (Winnipeg North Centre): With regard to retired public servants, I am still proud and a bit excited over the tremendous move we made a couple of years ago when we provided for the pensions of retired civil servants to be escalated every year if the cost of living went up during the previous year. The result was that many of our retired public servants got a pretty good boost a year or so ago and they receive an increase every January. But that increase is tied to a 2 per cent ceiling. When the cost of living increases 4, 5 or 6 per cent in a year, and these people only get a 2 per cent increase in their pensions, they are fighting a losing battle.

• (2100)

I plead that the same thing be done for them that I have argued for in respect of old age security, namely, that the least we do is increase those pensions by an amount which reflects the full increase in the cost of living. But in my view that is not enough. I want these people not only to get enough to buy the same basket of goods and services, but also to be able to share in the rising standard of living that a new generation is able to produce because the older generation brought it to that point.

So I urge this kind of improvement in respect of the Public Service Superannuation Act and in the acts which govern the Royal Canadian Mounted Police, the Canadian armed forces and others. In passing I put in a word, as I do every couple of weeks, for the retired RCMP and armed forces personnel who are not yet 60 years of age but who are denied the increase they will get after age 60 because that was written into this special legislation a couple of years ago.

I have said several times that any argument the government had for this is gone. In the new arrangements made last year for public servants to retire at age 55 and some between 50 and 55, it was provided that they get the escalation in their pension then without having to wait until they are 60 years of age. Since this is now possible for public servants under 60 years of age, I think it is grossly unfair and is gross discrimination to deny this increase to RCMP and Canadian armed forces personnel who have not yet reached age 60.

There are quite a few other changes which need to be made in all these acts under our jurisdiction affecting employees of the federal government, but in the main the sort of thing that needs to be done is to provide for adequate escalation consonant with the increase in the cost of living and the increase in the standard of living.

May I also point out that there are changes having to do with the retirement age that could be made. The changes made last year were in part good in that at age 55 a public servant with 30 years' service can retire on the full pension he has to that point. I believe we should encourage the possibility of these people retiring, say, any time after age 50 on the full amount of whatever pension they have earned. Old age is not just a period of life when we come with a bit of charity or supplement to keep people alive; it is a period of life when we should be making the best of all our years on earth.

Now I come to something mentioned just a moment ago by my good friend across the way. He did not need to suggest it, for I have been speaking on this for 25 or 30 years. I refer to the pensions of CNR employees. Here, again, I want to express pleasure that at long last, about a year ago, one change was made and CNR pensioners who were then retired received an increase covering the years they had been retired. But there is one serious shortcoming in that. It was a one-shot proposition. Retired public servants get their 2 per cent increase every year as long as they live, but the CNR pensioners got it last year only. They do not get any further increase this year and there are no other increases in sight for them. I contend that this escalation of pensions of retired CNR employees should be put on an annual basis at least the same as is done in connection with retired public servants.

But, again, although I ask for these things and use the words at least, I am not satisfied with a 2 per cent ceiling, or an increase related only to the cost of living; but it would be a start to get that much. A year ago the Minister of Transport (Mr. Jamieson) said that anything further would have to be negotiated, but it seems to me the chances of that happening are not very bright and what is needed is for this government to make to Canadian National Railways the same kind of representation it made over the years for an initial escalation, only now the representation should be for an annual escalation in CNR pensions.

There should also be a complete review of the formula under which CNR pensions are calculated. I put it in the simplest terms. The employees are asking that their pensions be based on a 2 per cent factor, that is, that their pensions be calculated on the basis of 2 per cent for each year of service. That is the story with the public service; that is the story with many good pension plans. Our own is even better but I shall not talk about it tonight, for my views about our own plan are on the record. I believe that Canadian National Railways being a government-owned company, it is one which ought to pay some attention to views like this when they are expressed in Parliament. It is also an organization which ought to be told by the government what it should be doing in this field.

Let us not stop with making representations to Canadian National Railways. The Canadian Pacific Railway needs to have some pretty strong things said to it. At long last, after something had been done for retired public servants, for retired RCMP personnel, for retired armed services personnel, for Canadian National employees and a lot of other people, the CPR came through with some-

thing. But I wonder how many members of this House have examined that "something" to find out how little it is. In particular, I cannot speak too strongly of how iniquitous I think it was for the CPR to say that any of its employees who retired prior to January 1, 1956, were to get no increase whatsoever. That is still the case today. Many, of course, have died since the change was made and many more will die before anything can be done.

However, I believe a pension increase of that sort, made somewhat comparable with what was done for retired public servants, somewhat comparable with what was done for CNR employees but which left out all the old-timers who retired before January 1, 1956, was something of which even the CPR with its thick hide ought to be terribly ashamed.

Mr. Speaker, I see my time is going on. However, there is another piece of legislation which comes under our jurisdiction which I think we should also look at very thoroughly. That is the Pension Benefits Standards Act. This is a fairly new piece of legislation and I am glad it is on our books. We have it federally and at least four provinces, perhaps more by now, have similar legislation. These various acts are statutes which determine the conditions pensions under federal or provincial jurisdiction must meet. We have laid down in the Pension Benefits Standards Act some pretty important requirements that pension plans which come under federal jurisdiction have to meet in order to get registration and in order to qualify for income tax deductibility. So we do have a fair control over the pension plans of the railways, the airlines, the banks, the steamship companies and the elevator companies. All these employers come under federal labour jurisdiction.

To the extent that the provinces in their legislation tend to match what we put into the Pension Benefits Standards Act, we are in a strong position to determine what private pension plans ought to provide. I think one of the things we should write into the Pension Benefits Standards Act is the requirement that every pension must have in it a provision for escalation.

I assert, Sir, that the day of a fixed pension is for the birds. The day is gone when any human being no matter whom he worked for should be asked to go out on a pension and stay at that level for the rest of his life. I think we should say to the companies whose pensions are registered under own legislation—and I think the provinces should say it to those employers who come under theirs—that a pension is not a pension and a plan is not approved unless there is a provision in it for pensions, once started, to be escalated at least according to the increase in the cost of living. But again I say that I think it should be according to the increase in the standard of living. That is something which we should be writing into our Pension Benefits Standards Act.

• (2110)

Maybe I am looking somewhat ahead, but another point which should be written into that legislation is early retirement, which I have tried to stress through all my remarks tonight. I think that just as I want written into the Old Age Security Act and the Canada Pension Plan the provision that people can retire at 60 if they leave the labour market, so I think private pensions plans should have the same kind of provision in them. To me this is the point we have reached.

I came here in a day when we fought to improve pensions which were only $20 a month and we thought we had a victory when we got them increased to $25 or $30. In those days it was a case of keeping body and soul together. But times have changed. We are fast moving into an era where the work ethic is disappearing, an era in which people have rights because they are people, not because they have done a certain type of work. To carry out all that, I think we have the obligation, indeed the right, to fight for pensions across the board that include escalation after they are put in pay, and also for pension plans that include provisions for early retirement.

Before my time is finished I should like to say something about one other group of pensioners. I deliberately left them to the last because I think their case is particularly important. We control entirely, in the Parliament of Canada, the question of the pensions that we pay our veterans. I have had the privilege of being a member of the Veterans Affairs Committee, and last year we made certain improvements. I am pleased that they were made and I am glad to be able to say that many veterans are better off because of the changes that were made in the Pension Act and in certain other pieces of veterans legislation. But the fact that they are slightly better off is beside the point.

It is still urgent that the basic rates paid under the Pension Act—basic rates for disability pensions—should be increased, and it is also extremely urgent that the allowances that we pay under the War Veterans Allowance Act should be increased and that the means test provisions in that act should be greatly modified if not done away with altogether. I speak as one who believes strongly in the concept of the guaranteed annual income—not a means test supplement such as we get from the other side but a truly guaranteed income—that some day will be available to everybody. I believe it should start now for all our older people, and a particularly good place to start it would be with our veterans.

Just as I have suggested that old age security should be available at the age of 60 to those who are prepared to leave the labour market, I would do for veterans as we used to do in another context; I would lower that age for them. I would say that any veteran who has had war service—and he does not have to prove anything else—should, not later than at the age of 55, be able to get a sufficient pension to enable him to leave the labour market and to enjoy a little more of that exciting period in life that we call old age, because of the service that he gave to his country.

I make this plea both for veterans and for all our older people as strongly as I can. I am not standing up here asking for another 42 cents or for another $5 or $10. I am asking for a whole new approach, a new rationale, a new philosophy about old age. It must not be a time when we just keep people around until they are carried out to the cemetery; it is a time of life which should be made the very best.

It can be done, and I repeat that in doing it we will not only be making things better for our older people but we will be requiring a tremendous amount of work to be done

to produce the necessary goods and services. Thus we shall be putting our younger people to work as well and helping to solve the pressing problem of mass unemployment.

Therefore, I commend to the government and to this House the suggestion I made at the beginning of my remarks, namely, that we launch a massive effort to make things really better for the older people of this country.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, with this Throne Speech we are nearing the end of the four-year period of the present administration. First, I should like to add my congratulations to the mover and seconder: they did quite a good job on such a poor document.

Now I would like to examine the four-year record of this government. After the long years of minority government, the people of Canada were perhaps expecting and hoping for a majority government even though they might not have necessarily agreed with the party in power. The electorate were led to expect a good deal from the just society, but the right hon. member for Prince Albert (Mr. Diefenbaker) was quite right when he said that the just society is only for the Grits. Now it does not seem to be for anyone, even for the Grits.

Let us look at what this administration has done for the country. I would like to agree with one thing that the hon. member who preceded me said in his speech with regard to the great consternation about freezing old age pensions at $80 a month. The old people, in the years when they were paying sales tax and income tax, were led to believe that a pension would be given them regardless of their station in life or their income. Now they find their pensions frozen and they are most unhappy about it.

When the Prime Minister (Mr. Trudeau) was elected he was expected to unite the country, or so people thought. There was to be an official languages bill to unite the two main language groups in Canada. The languages bill was to avenge the French for the Plains of Abraham and do justice to the English. What has happened? Canada is more disunited than ever. Quebec is under strong pressure to declare that province unilingual in order to safeguard what the Quebec people believe is a continuation of their language and culture. A severe backlash is developing in the rest of the country against this bilingual policy and we may well experience a severe confrontation in which surely no one will win.

We are at loggerheads with the United States, our neighbour to the south. The Prime Minister declared in Russia that the United States was a cultural, economic and even military threat to Canada. On his return to Canada, the Minister of Industry, Trade and Commerce (Mr. Pepin) and the Minister of Indian Affairs and Northern Development (Mr. Chrétien) went scurrying south to carry the message that Canadians loved their great neighbour and invited Americans to invest their dollars in Canada.

We know that for western Canadians the period this government has been in office has been one of alienation and many western Canadians in their multicultural society are having second throughts regarding the value of confederation. The new tax structure will have a particularly severe impact on western Canada, with its strong bias against the resource industry and against the individual entrepreneur. In many ways the attitude this government has adopted has meant a reversal of the days of the Northwest Fur Company, when the whole of the western lands were subservient to Montreal fur interests.

The period this government has been in office has been a trying time for the agricultural community in western Canada. Since 1968 we have witnessed a precipitous drop in the grains income of the whole of western Canada. The grains income in the years 1966-67 and 1967-68 amounted to $1,400 million and $1,300 million respectively. The year 1968-69 saw a drop in the income of the grain industry to around $850 million. Had any other community or any other segment of the Canadian economy experienced a one-third reduction in their gross income at a time of continually rising prices and rising costs of production, there would have been widespread outcry and disastrous results.

• (2120)

What did the government do? In the years 1968-69 the government sat supine while export markets all over the world were lost to Canadian grain. The survey of that year will show that we sold barely 150 million bushels of wheat, although the export figures would be slightly better due to shipping changes. It was a disastrous year for Canadian exports of wheat and barley. It can be said that there was an almost complete sales failure in the 1968-69 crop year. During the whole of the year the govenment did almost nothing to increase Canadian grain sales.

Through the Wheat Board, as the handling agent of western farmers, there was nothing that farmers as a group could do but exhort the government to use their influence to alleviate the situation. If anything, the 1968-69 crop year was a reminder that whatever the Wheat Board might be, it has to be an agency to sell grain. If, in the government's wisdom, farmers are to have an income supplement policy to increase their income, it is not to be done through the Wheat Board. The board's duty is to sell grain on the world market at a competitive price. The disastrous loss of sales in 1968 and 1969 are still being felt both in volume and in loss of income.

The following years have shown an increase in the movement of grain. But for the large failure of the American corn crop last year our marketing situation would have been much more serious. This year the grain industry seems to be running into further trouble. The warning of Mr. Vogel, head of the Wheat Board, that the world price of wheat has softened considerably brings no comfort to the western grain industry.

And what about the ill-fated stabilization bill, a bill that would have relieved the government, at least in the 1970s, of contributing any significant amount from the federal treasury to augment grain income? With the phasing-out of the Temporary Wheat Reserves Act and the Prairie Farm Assistance Act, $50 million to $60 million that the western farmers had received each year in the previous 15 years had to be replaced with a formula whereby there would be little or no chance of payout in the decade of the seventies. As well, the farmer would have had to subsidize the fund to the extent of 2 per cent of his gross earnings, so that his levy alone would have been almost certain to carry any payout under the plan in this decade. Small wonder, then, that the stabilization plan found little favour with the opposition and the farmers.

Now we have a two-price system for grain. But it is not really a two-price system at all. It is merely a formula for calculating an amount of money to be taken out of the federal treasury and paid to the grain producers of Canada. Suffice it to say that a suitable stabilization plan for income supplement has not been produced by this government.

Then there is the passage of Bill C-176. This is a bill designed to implement supply management. The market sharing arrangements can result only in the decrease of quotas, with the productivity in the prairie provinces to be transferred to the central provinces on a purely political basis. It is a far reaching bill. It obviously will take the livestock industry, eggs, chickens, turkeys, pigs and cattle and abrogate the market and implement drastic changes in the producing and selling aspects of the industry. Like the dairy industry, Bill C-176 is designed to transfer the meat industry from western Canada into the more central areas. This can only cause a more marked reduction in the production of meat in western Canada and have the effect of further reducing the ability of the agricultural community to sustain its population in western Canada.

With this exercise in supply management we are heading into a period of rigid controls within the whole agricultural industry—a type of control that can only make for inefficiencies, that can only make for increased cost to the consumers without any real increase eventually in the price to the producers. The establishment of quotas means the reduction of the agricultural population at a faster rate and further alienation of the western agricultural industry. It means that we have virtually removed ourselves from the possibility of export markets for our meat products. Bill C-176 will eventually result in demands that manufactured products be prevented from free movement within Canada.

I should like to quote from the Manitoba *Co-operator* of February 17, which says this about Bill C-176:

> Surely this is a lesson that has been learned from the experience of the nations of the European Economic Community. Trying to dismantle the overbearing economic costs of agricultural production distortion is now the main preoccupation in Europe. And, at the same time the European farmer has not improved his individual lot one iota. He is economically depressed and unhappy. With the production potential of the United States adjacent to us on this North American continent there is even less hope of even limited temporary success in legislating parity to a deficient resource area.
>
> And certainly western Canada with her whole economic future tied up in the welfare of the primary industry of agriculture cannot concede on this issue.

To those who do not come from agricultural ridings I would suggest that Bill C-176 will have considerable effect in the years to come.

This government is now involved in the problem of how to deal with our enormous neighbour to the south. With the strong nationalist feeling demonstrated in the anti-Americanism of the Prime Minister and his succinct statement that he found the United States a cultural economic and political threat to Canada, he arraigned himself on the side of those who found great comfort in baiting the American eagle.

We witnessed the Prime Minister's Washington journey. He returned saying he had won a great victory over the Americans. What is happening now? On one day we have the Prime Minister telling the House of Commons about the tough line the government is taking with the Americans and that it will continue to be tough; then we have the external affairs minister (Mr. Sharp) in Winnipeg saying Canada is prepared to make unspecified concessions to the United States to prevent a serious rift between the two countries because of disagreement over the automobile agreement.

So our relations with the Americans are now in limbo, but it is costly for us. We really cannot afford a policy of "wait and see". Until last August financial relationships between Canada and the United States were more or less clearly defined. As long as there is definition, each party knows where the other is and businessmen can act accordingly—but uncertainty is now the order of the day.

There is the American DISC legislation, an act of the American government that will have serious effect on our industry, an act that really the so-called Canada-firsters, the Committee for an Independent Canada, should wish to be passed because it will mean the repatriation of production now undertaken in Canada to be carried out in the United States. These people are peculiarly quiet at this stage. DISC will be a financial inducement for an American to export to Canada what is now being produced in Canada.

What are we doing? At a time when we are increasing our tax on industry by means of the recent tax changes, the Americans are making a better climate for their industry. There are many areas that need to be defined in our relationships with the United States. Take the decision of the National Energy Board to change in midstream the rules and the guidelines under which the export of natural gas would be allowed. It smacks very much of influence by the government, on a purely political basis, to prevent the export of natural gas on terms that were previously agreed upon. There is a feeling that the Americans need our natural resources in ever increasing quantities and that either we should not sell to them or we should sell them at a price that is much greater than we are presently receiving.

In dealing with the matter of foreign control we have shown great inconsistency. We have been since 1969 awaiting the Gray report on foreign ownership. The delays have been endless and we are still waiting. The policy of the government is purely ad hoc. They improvised in the sale of Home Oil and they improvised in the deal with Denison Mines. All the actions of the government indicate complete confusion.

What about the Canada-United States auto pact? Its value may well have been overestimated. Our exports and imports would both be lower, but in a truer perspective if we disregarded the auto pact figures. The auto pact is primarily an arrangement among the parents and subsidiaries of United States automobile manufacturing companies, sanctioned by government. It seems likely that with the attitude of American unions that more manufacturing be done at home, with the decision on where autos are to be produced being made in Detroit, the auto pact could be reduced in value and may eventually become meaningless.

So this administration is powerless to negotiate with the American administration, the Nixon administration, an

administration that views the Canadian government with a deep-seated suspicion of having a love affair with its enemies. It seems likely that we will again have to deal with the Nixon administration after the November election, a prospect which this administration must view with considerable horror. The Manitoba *Co-operator* carries an article, reprinted from the *Globe and Mail*, which in part reads:

• (2130)

We have been kept in the dark for the good of two governments, not for our own good. In Canada, at least, we are probably in real jeopardy until those two elections are over.

The author of that article is referring to our election and that of the United States. I should like to say a few words about the Official Languages Act, Mr. Speaker. This act has caused severe dislocation in our civil service and has not in any way helped to correct the situation for which it was designed. It has failed because of a peculiarity of human nature. The fact is that no one is bilingual; a person has a mother tongue and a working knowledge of a second language. The present official languages legislation has worked to bring about the almost complete exclusion of the merit principle in the civil service. I think it has caused disruption in the civil service and will cause increasing tension in the future.

The administration of the act is open to all manner of bias, favouritism and discrimination, real or imagined. Of course, so far as the individual affected is concerned, real or imagined grievances are equally bad. Our having decided to adopt an official languages policy really means that everyone in Canada must by definition be a Francophone or an Anglophone in order for people to fit into the official languages category.

Mr. Dupras: Come on, now.

Mr. Ritchie: This has not satisfied the province of Quebec and the French communities in that province are jealously protecting their language rights, rights which we all agree they ought to have. There is at present severe pressure on the provincial government of that province to declare French as the official language of the province. This necessarily means that English will become a secondary language, which indicates that the official languages policy in Ottawa has not, in the opinion of that province, met its needs.

Similarly, from the Anglophone point of view, the enunciation of the official languages policy has meant that effectively the unilingual Anglophone has been shut out of the decision-making process in the civil service as well as all the other bilingual areas. So the official languages legislation has not helped the unilingual Canadian, no matter whether he is Francophone or Anglophone, and has made our civil service a type of Janissary civil service based on some sort of ability to speak two languages, or the ability to convince someone that one can do so.

An hon. Member: Nonsense.

Mr. Ritchie: The official languages legislation can only harden the division of the country into two groups, Francophone and Anglophone. If we are to have two official languages in this country we will have to make provision in the civil service in order that a unilingual person, be Francophone or Anglophone, can enter the civil service and in his own language proceed through the civil service and go as far as his talents will carry him in his language, without ever having to learn a second language, at least in theory. This will necessitate both French and English language units in the civil service. The number of units in each group will be proportionate to the number of people in each language group in each province.

In no other area has this government created a stronger backlash, particularly in western Canada, than in the area of its official languages policy. It is an intellectual's solution to a very complex problem. There seems to be no way around it except on a numerical basis, setting up within the civil service Anglophone and Francophone language units which are to care for English and French speaking peoples in the two working languages of Canada. The official languages bill has done much to cause disunity in Canada and if the legislation is carried to the fullest extreme it will be a grave factor in bringing about the fragmentation of our Canadian nation.

Mr. Speaker, this government in its four years in office has shown complete indifference toward and lack of understanding of western Canada. Its record in agriculture is dismal. The new tax bill indicates that the government intends to tax the resources of western Canada and its development will be slow until some time in the future. The movement of Air Canada from Winnipeg to Montreal and the concentration of Canadian National Railways in Montreal are designed to further this subservience. The downgrading of the Port of Churchill, a port which would allow the western farmer access to a lever with which to combat the monopoly position of the port of Montreal, has been actively carried on by this government. This is a shortsighted policy because Churchill would not provide much competition to the great port of Montreal. This government's activities in handling our affairs are building for us a sort of nationalistic ghetto. In future we will pay a heavy price, both of an economic and a social nature, for the activities of the government.

Mr. Dupras: On a point of order, Mr. Speaker, I would ask the hon. member who has just sat down if he thinks his contribution will promote unity in general.

Mr. Deputy Speaker: Order, please. The Chair recognizes the Parliamentary Secretary to the Minister of Energy, Mines and Resources. (Mr. Cullen).

Mr. Jack Cullen (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, quite candidly, I did not intend participating in this Throne Speech debate because it was my good fortune two years ago to be selected by the Prime Minister (Mr. Trudeau) to move the Address in Reply to the Speech from the Throne. I know how big an honour that is for a Member of Parliament, particularly for one newly elected as I was in 1968. For that reason, my congratulations to the mover and seconder of the Address in Reply to the Speech from the Throne are heartfelt.

I know the hon. member for Bruce (Mr. Whicher). He comes from Ontario and I know that he spent 12 years in the Ontario Legislature. He established a distinguished record there before seeing fit to move into the federal field. The hon. member had a splendid record in the

Ontario legislature. He has brought to this House his dedication and his ideas about the kind of Canada he wants to see.

Where did the hon. member for Bruce, who is English-speaking, who does not speak one word of French, who is a veteran, having spent five years overseas, spend part of his holidays? I understand he spent it in Rimouski, Quebec. He went there and tried his best to speak French, because he is convinced that the only way the English-speaking Canadian will understand the French-speaking Canadian, and vice versa, is by going into his living room and trying to communicate with him. If he cannot do it in English, he will do it in halting French or in sign language. He will even do it over a bottle of beer. Nevertheless, he will find a way to communicate with his Quebec colleagues. That is where the hon. member for Bruce spent part of his holiday, and I commend him for it.

He did not do it for political advantage; I doubt whether there is one French-speaking Canadian living in the constituency of Bruce. Nevertheless, the hon. member for Bruce went to Quebec and tried to communicate with French Canadians because he is trying to understand what they are saying to those of us who are English Canadians.

They have a lot to teach us, Mr. Speaker. They know how to live, they know about joie de vivre, a term we do not have in the English language. He wanted to learn about them, and when he spoke he must certainly have spoken as a Liberal because that is his political philosophy. Yet he also spoke as a Member of the Parliament of Canada. As I say, he went to Rimouski, I believe, to find out what the people there think about English Canadians and what French Canadians think about English Canada. He did his best to communicate with the people in that province.

My colleague who seconded the Address in Reply to the Speech from the Throne, the hon. member for Trois-Rivières (Mr. Lajoie), is a brave man. I think of him, a married man, trying to establish himself in Ontario, largely an English-speaking province. He has eight children, yet he is prepared to offer himself as a Member of Parliament so that he may serve his country. I invite all hon. members to read his speech. His comments are humorous, yet one can see the dedication of this hon. member who has come here seeking to serve his country. That is why I have hope for Canada. In this country there are English-speaking Canadians and French-speaking Canadians, and here there is a French-speaking member who came to Ontario. And what did he say about his eight children? They are not French-speaking, they are bilingual. That is the kind of members we have in the House of Commons.

• (2140)

The calibre of the members of the House of Commons is, I think, second to none. It was my good fortune to speak to the former leader of the New Democratic party. I came here as a brand new member. After I had been here for two years I was sitting beside him in the economy section of the aircraft, which is where Members of Parliament travel, and he said our system brought the best, over-all, kind of Members of Parliament to the House of Commons, men who did not come to the House after building up a reputation, but who came here having everything to look forward to, having established their businesses, be it insurance, farming or the practice of law. He said these were men who could have rested on their laurels, but instead they chose to come here to represent the people.

He said that, member for member, this was the best House of Commons of which he had ever been a member, and he was speaking from the experience of 35 years in provincial and federal governments. So I am proud to be a member of this House and I hope it will be my good fortune to serve in the next Parliament.

I came down with two obligations, as I saw it. No man can be an expert in every field. So, like many members here, I saw fit to serve the veterans and the senior citizens. I think the people who deserve the highest praise are the Hong Kong veterans, because they have broken through one barrier. If a man was a Hong Kong veteran his widow will now get $200 a month pension. Hopefully, we shall raise this in the future. We have heard members on the other side and on this side say that prisoners of war generally speaking should be given something similar, and I am sure they will come before the Veterans Affairs Committee. We had a Veterans Affairs Committee of which I was proud to be a member, and I served briefly as chairman. It did not seek to be a partisan committee, but to serve the Canadian people as a whole.

These are all motherhood things. Let us move on to topics upon which we are not all agreed. Let us get into labour legislation. There has been a concerted and, I think, unfavourable attack on the Labour Code legislation. The situation is that we have decided—and I hope the new legislation will bear this out—that where a technological change of significance is introduced by companies which will have the effect of laying off a significant number of employees, then the collective bargaining agreement will be reopened.

I think this is good legislation. I say so for this reason. Put yourselves in the bargaining room. You have the company representatives on one side of the room and representatives of the workers on the other. The company lads are sitting there, and they know when they are bargaining that they will be introducing a technological change which will have the effect of laying off a significant number of employees, be it 200, 300, 500 or 50, depending on the size of the company. They know, when they are negotiating a pay raise, be it 10, 15 or 20 per cent, that they will not have to pay not only the increase; they will not even have to pay the salaries or the wages of the individuals, of 20 per cent of the people employed by their company. They are not in a position to say, "we are going to give you, in effect, the sleeves of our vests; we are going to give you a 15 per cent pay raise," because they know that in the course of the three years of the agreement 20 per cent of the labour force are not only going to receive the increase but are not going to receive any salary at all.

The fellows representing labour or the union do not know this. So if the company says "Gentlemen, this is something we should tell you; we are going to introduce a technological change which will have the effect of reducing our staff by a significant number," the boys on the other side will say, "We know what the score is and now we can bargain within the terms of reference explained to us."

But if the company fails to do that and says, say a year later, to its employees, "We have brought in a technological change. We do not need 200 of our employees and we shall have to lay them off," then I say it is right in law and it is certainly right in equity that the contract should be reopened so that the employees can go back and say, "Just a minute. We don't think it is right. This is a technological change we did not know anything about, and maybe we should renegotiate the contract we have."

I think this is good legislation. If the company tells the employees or the people bargaining for the employees that it intends to introduce a technological change, the contract will not be reopened. But if it is bargaining knowing that it intends to lay off a certain number of workers, and if it does not tell the people on the other side of the table beforehand, I think we are not playing the game according to the rules and the government has an obligation to step in and make a change. I support this legislation wholeheartedly and I am confident the government will not back away from its present position.

It was my good fortune to serve as Parliamentary Secretary to the Minister of National Defence. I went into that department wondering how a man who was in the Canadian forces during peacetime maintains his level of competence, and how he has pride, a certain professionalism which he should bring into the job. I was in that job only for about three months but I was convinced that the Canadian forces bring to their job a sense of pride, a sense of professionalism which was the precedent set during wartime by the Royal Canadian Navy, the Royal Canadian Air Force and the Canadian Army.

There is a sense of dedication and professionalism that these men during peacetime still bring to their particular jobs. I think more could be said about this, but unhappily it is not done in peacetime because people seem to think that if you cannot do anything else you can get a job in the Canadian forces. That is not so any more; you have to possess a certain degree of intelligence and education to be a good member of the Canadian armed forces. We happen to be blessed with 80,000 or 90,000 members of the forces who bring with them this degree of dedication. I say, thank God for these men who serve during peacetime, when they do not get the kind of recognition they might during wartime.

I want to speak about another subject, that of the environment. The suggestion has been made that the government is not concerned about pollution and has not taken any action in this field. I supported the idea of appointing a Minister of the Environment. At long last we have a minister whose main obligation is to co-ordinate the areas so that we can do that which is best to control pollution be it of the air, of the land or of our water.

We have good legislation under the Minister of the Environment (Mr. Davis). We have a situation now where we are trying to clean up the Ottawa River, which means we have to bring the province of Quebec, the province of Ontario and the federal government into reaching some kind of agreement. We are facing a similar situation in the Great Lakes, where we have to deal with two or three provinces, important cities, the government of the United States and various states in the United States. We are endeavouring to do that which is necessary to see that our Great Lakes are cleaned up. Certainly it was a severe blow to learn that the amount of money to be provided in the United States for pollution control was to be reduced. Reports indicate, however, that this may not have the detrimental effect we thought it might have in so far as pollution control of the Great Lakes is concerned.

There is another area which should receive more publicity, that is, the degree of co-operation between the United States and Canada with respect to the surveillance of the Great Lakes and the fact that some of the ships using the Great Lakes see fit to ignore the fact that if they dump their bilgewater, which has oil in it, or if they dump the other material which has the effect of despoiling the water, it has a tendency to come up on the beaches of the Great Lakes. This is another area in which we need surveillance. If I am driving along and I know a member of the Ontario police force is a mile down the road, I am not going to be speeding. That is what we need in the Great Lakes, a form of sophisticated surveillance.

• (2150)

I am happy that the Minister of Transport (Mr. Jamieson) has indicated that he is coming to the Sarnia area, to that great area where we have Lake Huron and its beautiful beaches, to see whether we should not think about having some form of aircraft or sophisticated surveillance so that ships either coming down the lakes or going up, or even ships parked in the lakes by reason of some hold-up in the lakes, do not dump their bilgewater or garbage into the Great Lakes and pollute them, with rubbish washing up on the beaches of Lake Huron, be they on the Canadian or on the United States side. But this government is aware of the problems in this area and I am hoping that the kind of surveillance I am looking for will be provided.

I want to make just one more comment before I conclude. When I ran during the last election campaign I adopted a rather presumptuous campaign slogan which was "Cullen for Canada". It had a nice ring to it and had the alliteration that politicians look for. But for this particular member it had a meaning, too. I ran on the understanding that we were going to have an Official Languages Act, that we would recognize that any Canadian in Canada, be he French or English speaking, could go to any government department and speak his own language. Someone whose mother tongue was French should be able to go to any post office in British Columbia or Ontario and speak French and be understood. By the same token I, as an English-speaking Canadian, should be able to go to the remotest part of Quebec and speak English in a post office or any federal office.

Such a situation does not mean we are ramming French down the throats of English-speaking Canadians. Neither is it ramming English down the throats of French-speaking Canadians. All it means is that a French-speaking, unilingual Canadian is able to go to British Columbia and use his native tongue in any federal office. This is the way it should be if we sincerely believe that this is truly a bilingual country. I support that kind of philosophy completely.

There has been some misrepresentation of the Official Languages Act. Many people have said that it has the effect of spreading French to western Ontario or western Canada, or that it spreads English through Quebec. Nothing could be further from the truth. It is, as I have said,

merely ensuring that unilingual Canadians, be they English-speaking or French-speaking, can conduct business in any federal office or government department in their own language.

I for one cannot understand why people are opposed to learning a second language. It was a treat to me. I take French lessons two days a week, which means I have to get up earlier than I normally do. I had a splendid opportunity to learn French when I went to Le Collège Militaire de Saint Jean. I remember when you, Mr. Speaker, and I celebrated our passing of "leçon quatorze". We were both thrilled that at last we could communicate with our French-speaking colleagues. They would come across to our table and ask us for the English word for such-and-such. We were able to communicate with them and have a great time. Last summer I visited Quebec and used my French to get food and lodging. I did not run into any separatism, merely friendship. When they say "hospitalité is spoken here", let me tell you that that is true.

I think Canadians have an obligation to learn the second language, but I would prefer to think that Canadians have the opportunity to speak the second language. You will find no nicer people than the French-speaking Canadians of Quebec, northern Ontario or St. Boniface. Neither will you find any nicer English-speaking Canadians than those in southern Ontario, in the area I represent.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, this debate has reflected, particularly in the nature of the amendment that has been moved by my colleague from Hamilton West (Mr. Alexander), a disillusionment today that is very worrisome to many of us who have been in Parliament for many years. We have seen the growth of a confrontation of ideology, a confrontation of region, a confrontation of ethnic origin. I use that term very advisedly and with apologies to this House, because I do not believe in a confrontation of ethnic origin.

I as an individual am a product, on my father's side, of generation upon generation of French speakers and Irish speakers. Much more recently, on my mother's side, my ancestors have come from continental Europe, from Belgium. Like the hon. member for Sarnia (Mr. Cullen), who has just resumed his seat and was also a veteran in the last World War, I married an English girl, as did thousands upon thousands of Canadians. We look upon this sort of linguistic, ethnic confrontation as though it were a plan from the devil to destroy the Canadian nation. There is nothing quite so diabolical as this, to my way of thinking.

I am sure that from Vancouver Island to Newfoundland and from the forty-ninth parallel to the north pole there are hundreds of thousands, indeed millions, of Canadians who think alike. Yet here we are in this day and age exposed to a philosophy, espoused by government, of confrontation; a philosophy of the government that says you are either on this side or on the other side.

Mr. Guay (St. Boniface): Not on language.

Mr. Lambert (Edmonton West): The hon. member for St. Boniface (Mr. Guay) should be the first to recognize that. There is no place in Canada for this sort of thing, certainly not within his city or my city. I will take no place behind anyone in this House when it comes to the question of who is a Canadian, whether one is of French origin, of English origin, or Irish or Scots. So let the hon. member make his own speech.

Mr. Guay (St. Boniface): Yes, I will.

Mr. Lambert (Edmonton West): But only when I have finished my speech. He is the hon. member who is known as "the loudmouth interrupter".

Mr. Guay (St. Boniface): A point of order, Mr. Speaker.

Mr. Deputy Speaker: Order, please. It being ten o'clock, this House stands adjourned until eleven o'clock tomorrow morning.

At 10 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, February 25, 1972

The House met at 11 a.m.

ROUTINE PROCEEDINGS

UNEMPLOYMENT INSURANCE

DELAY IN PAYMENT OF BENEFITS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. David Lewis (York South): Mr. Speaker, I seek the unanimous consent of the House to move a motion under Standing Order 43 and, with your permission, to make a very brief explanation of it.

The unfortunate incident in Bathurst, New Brunswick, yesterday underlines the fact that some of the problems and delays connected with the payment of unemployment insurance benefits are still affecting a good many people. I would remind the House that the minister concerned has on several occasions emphasized his willingness that the matter be studied fully by the appropriate standing committee. Since we are all agreed, I would suggest that the House might consent to my motion being put without debate.

I therefore move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the subject of delays in payment of unemployment insurance benefits, the administration of the Unemployment Insurance Act generally and the regulations which include holiday pay, vacation pay, severance pay and similar income in the definition of earnings be immediately referred to the Standing Committee on Labour, Manpower and Immigration.

I suggest that the motion might be put without debate.

Mr. Speaker: The motion proposed by the hon. member for York South requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not, and the motion cannot be put.

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NATURAL RESOURCES

OFFSHORE MINERAL RIGHTS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, pursuant to Standing Order 43 I request the unanimous leave of the House to propose a motion arising from a matter of urgent and pressing necessity. It concerns the deadlock which has been created following the failure of the federal government to reach agreement with the provinces with respect to offshore mineral rights. The result of this impasse has been uncertainty in mineral exploration development and discontent among the provinces affected. Furthermore, the people of the poorer regions of this country, who saw some promise of economic prosperity in the potential of offshore development, now find the rigid attitude of the federal government most discouraging.

I therefore move, seconded by the hon. member for Dartmouth-Halifax East (Mr. Forrestall):

That immediately upon his return from Nova Scotia the hon. Minister of Energy, Mines and Resources make a statement on motions outlining the government's position concerning the sharing of responsibilities with the provinces in the realm of offshore mineral rights and the sharing of the royalties derived therefrom.

• (1110)

Mr. Speaker: The motion proposed by the hon. member under the terms of Standing Order 43 requires the unanimous consent of the House. The Chair will inquire whether there is unanimity.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity. The motion therefore cannot be put.

* * *

BUSINESS OF THE HOUSE

PROCEDURE RESPECTING INTRODUCTION OF PUBLIC BILLS

On the order: Introduction of Bills.

Mr. Speaker: May I revert to and invoke a practice which has arisen in recent years with regard to the introduction and first reading of public bills. On today's order paper there are listed some 149 bills for introduction by private members. It was not possible for the Chair to review the provisions of each of these bills. May I therefore suggest to the House that we adopt the procedure agreed upon in several recent sessions, namely, that we proceed to the introduction and first reading of these bills so that each may be scrutinized between now and its being called for second reading in order to allow the Chair to consider whether there is any defect in any such bill with respect to the practices and usages of the House.

I suggest that by unanimous consent all the public bills listed for introduction on today's order paper be deemed to have been introduced, given first reading, ordered to be printed and to stand for second reading at the next sitting of the House, subject of course to a subsequent examination as to the regularity of each bill.

[*Translation*]

I therefore suggest that with unanimous consent of the House all public bills listed on today's order paper to be introduced, be deemed introduced read for the first time and ordered to be printed for second reading at the next sitting of the House, subject, of course, to subsequent study establishing whether each one is in order.

[*English*]

Is this agreed?

Mr. Lambert (Edmonton West): Mr. Speaker, may I raise one question for clarification. Does the reservation that Your Honour has quite rightly put upon the viability of the introduction of any of these bills imply a declaration or adjudication only when the bills come forward for debate or is it Your Honour's intention to review the whole list and express your views at some date in the relatively near future? Otherwise it would seem to me a bill which had really been improperly introduced could acquire some degree of respectability by remaining on the order paper and, as a matter of fact, could draw comment, correspondence and what have you from the public.

Mr. Speaker: I agree with the suggestion made by the hon. member for Edmonton West. In due course at some later date perhaps there might be consideration by the House of the suggestion of the Chair in respect of the bills about which reservations might be expressed. For the moment this is somewhat hypothetical. Having made a preliminary study of the bills it seems that at least the first 25 or 30 are acceptable from a procedural standpoint, so there would be no immediate difficulty in this regard. However, in due course and after due notice an opportunity will be given to hon. members to indicate their views about the regularity of specific bills on which I might express reservations.

Is the procedure to which I have referred agreed to by the House.

Some hon. Members: Agreed.

PUBLIC BILLS

FIRST READINGS

Bill C-9, to amend the Criminal Code (abolition of corporal punishment)—Mr. MacDonald (Egmont).

Bill C-10, to restrain the use of tobacco—Mr. Mather.

Bill C-11, to amend the Territorial Sea and Fishing Zones Act—Mr. Anderson.

Bill C-12, to provide for the establishment of an Environmental Council of Canada—Mr. Goode.

Bill C-13, to amend the Combines Investigation Act (floor penalties, criminal joint tortfeasors, and moieties)—Mr. Orlikow.

Bill C-14, respecting boating safety—Mr. Mather.

Bill C-15, to amend the Canada Elections Act (publication of the result of opinion polls)—Mr. Coates.

Bill C-16, to amend the Blue Water Bridge Authority Act (public and financial accountability)—Mr. McCutcheon.

Bill C-17, to amend the Motor Vehicle Safety Act (seat belts)—Mr. Mather.

[Mr. Speaker.]

Bill C-18, to amend the Canadian Citizenship Act—Mr. Allmand.

Bill C-19, respecting employment with the Government of Canada not covered by the Public Service Employment Act—Mr. Orlikow.

Bill C-20, to amend the Criminal Code (attempt to commit suicide)—Mr. Watson.

Bill C-21, to amend the Canada Labour Code (provision for ten general holidays with pay)—Mr. Knowles (Winnipeg North Centre).

Bill C-22, to amend the Criminal Records Act—Mr. Robinson.

Bill C-23, to amend the Immigration Appeal Board Act—Mr. Haidasz.

Bill C-24, to establish a Commuter Passenger Train Authority (Ontario)—Mr. Roberts.

Bill C-25, to amend the Canada Elections Act (proxy voting)—Mr. Horner.

Bill C-26, to amend the Broadcasting Act (cigarette advertising)—Mr. Mather.

Bill C-27, to amend the Indian Act—Mr. Foster.

Bill C-28, to amend the Bank of Canada Act (braille denomination)—Mr. Ricard.

Bill C-29, to amend the Atlantic Region Freight Assistance Act—Mr. Thomas (Moncton).

Bill C-30, to amend the Department of Justice Act (annual report)—Mr. Fortin.

Bill C-31, to designate Major's Hill Park—Mr. Stewart (Cochrane).

Bill C-32, to amend the Criminal Code (pollution)—Mr. Anderson.

Bill C-33, to amend the Canada Elections Act (proxy voting)—Mr. Kaplan.

Bill C-34, respecting packaged perishable food—Mr. Mather.

Bill C-35, to amend the Criminal Code (preventive detention)—Mr. Orlikow.

Bill C-36, to amend the Criminal Code (control of weapons and firearms)—Mr. Allmand.

Bill C-37, to amend the Criminal Code (air piracy)—Mr. Robinson.

Bill C-38, respecting the disclosure of financial interests by Senators, Members of the House of Commons and certain other persons—Mr. Knowles (Winnipeg North Centre).

Bill C-39, respecting noise in factories—Mr. Mather.

Bill C-40, to amend the Department of the Environment Act (fisheries)—Mr. McGrath.

Bill C-41, to amend the Fisheries Act (licensing)—Mr. Barnett.

Bill C-42, to provide for the Protection of News Sources (press privilege)—Mr. Peters.

Bill C-43, to amend the Criminal Code (vagrancy)—Mr. Robinson.

Bill C-44, to amend the Income Tax Act (Section 239)—Mr. Lambert (Edmonton West).

Bill C-45, to establish a Newfoundland Crossing Authority—Mr. Marshall.

Bill C-46, respecting the presence of the National Flag of Canada in both Houses of Parliament—Mr. Stewart (Cochrane).

Bill C-47, to amend the Canada Elections Act (publication of straw poll results)—Mr. Peters.

Bill C-48, to amend the Industrial Relations and Disputes Investigation Act (charity versus closed-shop union dues)—Mr. Lambert (Edmonton West).

Bill C-49, to amend the Department of Regional Economic Expansion Act—Mr. MacDonald (Egmont).

Bill C-50, to amend the Electoral Boundaries Readjustment Act—Mr. Lambert (Edmonton West).

Bill C-51, to amend the Criminal Code (air piracy)—Mr. Woolliams.

Bill C-52, to establish the Office of Parliamentary Commissioner—Mr. Thompson (Red Deer).

Bill C-53, respecting the designation of Rideau Hall and Government House as Rideau Palace—Mr. McBride.

Bill C-54, respecting Members of the House of Commons as directors of crown corporations—Mr. Stewart (Cochrane).

Bill C-55, respecting the Electoral Boundaries Readjustment Act—Mr. Whelan.

Bill C-56, to amend the Department of Transport Act.—Mr. Orlikow.

Bill C-57, to amend the Juvenile Delinquents Act—Mr. Robinson.

Bill C-58, to amend the Food and Drugs Act—Mr. Mather.

Bill C-59, to amend the Regional Development Incentives Act (economic/social factors)—Mr. MacDonald (Egmont).

Bill C-60, to amend the Criminal Code (alteration of odometer)—Mr. Mather.

Bill C-61, to amend the Statistics Act (area statistics)—Mr. MacDonald (Egmont).

Bill C-62, to amend the Criminal Code (company-censored housing)—Mr. Orlikow.

Bill C-63, to amend the British North America Acts, 1867 to 1965, with respect to the quorum of the House of Commons— Mr. Knowles (Winnipeg North Centre).

Bill C-64, respecting Canada Day—Mr. Gibson.

Bill C-65, to amend the Broadcasting Act (advertising on children's programs)—Mr. McGrath.

Bill C-66, to amend the Canadian Citizenship Act—Mr. Broadbent.

Bill C-67, to amend the Criminal Code (disturbance in Parliament)—Mr. Stewart (Cochrane).

Bill C-68, respecting the protection of endangered species—Mr. Watson.

Bill C-69, to amend the Divorce Act—Mr. McCleave.

Bill C-70, to provide for the establishment of the Alaska-Yukon Highway Authority (Alaska Highway)—Mr. Thompson (Red Deer).

Bill C-71, to amend the British North America Act, 1867 (abolition of the Senate)—Mr. Knowles.

Bill C-72, respecting disclosure of names of drug addicts—Mr. Haidasz.

Public Bills

Bill C-73, to amend the Broadcasting Act—Mr. Mather.

Bill C-74, respecting the Electoral Boundaries Readjustment Act—Mr. Deakon.

Bill C-75, to prevent the invasion of privacy resulting from the misuse of information stored in data banks— Mr. Goode.

Bill C-76, to amend the Criminal Code (abortion)—Mrs. MacInnis.

Bill C-77, to amend the Food and Drugs Act (labelling)—Mr. Anderson.

Bill C-78, respecting the use of the expression "Parliament Hill"—Mr. McIlraith.

Bill C-79, concerning the Exportation of the growth and produce of Canada—Mr. Peters.

Bill C-80, to amend the Canada Evidence Act (incriminating statements)—Mr. Orlikow.

Bill C-81, to amend the Canada Labour Code (three weeks annual vacation after three years)—Mr. Knowles (Winnipeg North Centre).

Bill C-82, to amend the Motor Vehicle Safety Act (bumpers)—Mr. Mather.

Bill C-83, to amend the Criminal Code (wire tapping, etc.)—Mr. Orlikow.

Bill C-84, to amend the Holidays Act (Victoria Day)—Mr. Scott.

Bill C-85, to provide for the constitution of a Federal Transport Commission of Inquiry (impartial investigation of transport accidents)—Mr. Forrestall.

Bill C-86, to amend the Financial Administration Act (Parliamentary Commissioner for Administration)—Mr. Thompson (Red Deer).

Bill C-87, to amend the Canada Elections Act (election expenses)—Mr. Roberts.

Bill C-88, to amend the Senate and House of Commons Act (St. Luke 11;46)—Mr. Anderson.

Bill C-89, to amend the Canada Labour Code (increased minimum hourly wage)—Mr. Knowles (Winnipeg North Centre).

Bill C-90, to encourage the recycling of post-consumer waste (paper)—Mr. Goode.

Bill C-91, respecting the disclosure of financial interests by Senators and Members of the House of Commons—Mr. Roberts.

Bill C-92, respecting the Electoral Boundaries Readjustment Act—Mr. Hopkins.

Bill C-93, to amend the International River Improvements Act—Mr. Goode.

Bill C-94, respecting the International airport at Vancouver—Mr. Goode.

Bill C-95, to amend the Canadian Citizenship Act (freedom of conscience)—Mr. Peters.

Bill C-96, to amend the Adult Occupational Training Act—Mrs. MacInnis.

Bill C-97, to amend the Public Service Staff Relations Act—Mr. Allmand.

Bill C-98, to better assure the public's rights to freedom of access to public documents and information about

government administration (administrative disclosure)—Mr. Mather.

Bill C-99, to amend the Canada Labour Code (fair employment practices)—Mr. Allmand.

Bill C-100, to amend the Canada Labour Code (age or sex discrimination)—Mr. Forrestall.

Bill C-101, respecting the designation of the Speaker of the House of Commons as the Member for the Electoral District of Parliament Hill—Mr. Knowles (Winnipeg North Centre).

Bill C-102, respecting Sir John A. Macdonald Day—Mr. Macquarrie.

Bill C-103, to amend the Canadian Citizenship Act (time off without loss of pay for appearance in Citizenship Court)—Mr. Knowles (Winnipeg North Centre).

Bill C-104, respecting disclosure of credit rating records—Mr. McGrath.

Bill C-105, respecting Human Rights—Mrs. MacInnis.

Bill C-106, respecting supersonic aircraft—Mr. St. Pierre.

Bill C-107, to amend the National Defence Act (aid of the civil power)—Mr. Orlikow.

Bill C-108, respecting the hunting and fishing rights of Indian Canadians—Mr. Simpson.

Bill C-109, respecting air transportation employees in the Northwest Territories—Mr. Orange.

Bill C-110, respecting the protection of children from poisonous household substances—Mr. Mather.

Bill C-111, respecting the continental shelf—Mr. McGrath.

Bill C-112, to amend the British North America Acts, 1867 to 1965 (duration of House of Commons)—Mr. Peters.

Bill C-113, to amend the Criminal Code (cruelty to animals)—Mr. Mather.

Bill C-114, to amend the Canada Labour Code (severance pay)—Mr. Peters.

Bill C-115, to amend the Public Service Employment Act (age discrimination)—Mr. Forrestall.

Bill C-116, to amend the Food and Drugs Act (labelling of dates on perishable commodities)—Mr. MacDonald (Egmont).

Bill C-117, to amend the British North America Act, 1867 (National Capital of Canada)—Mr. Isabelle.

Bill C-118, respecting the right of the public to information concerning the public business—Mr. Baldwin.

Bill C-119, respecting the establishment and administration of a fund for the mutual aid of children and older persons (Foster Grand-parents)—Mr. Ryan.

Bill C-120, to amend the Criminal Code (battered child)—Mr. Southam.

Bill C-121, respecting the control of lobbying—Mr. Mather.

Bill C-122, to amend the National Housing Act (municipal water and soil pollution projects)—Mr. Alexander.

Bill C-123, to amend the British North America Acts, 1867 to 1965 (duration of House of Commons)—Mr. Rowland.

[Mr. Speaker.]

Bill C-124, to amend the Indian Act (rights of Indian woman upon marriage)—Mr. Rock.

Bill C-125, respecting tar and nicotine content in cigarettes—Mr. Robinson.

Bill C-126, to amend the British North America Acts, 1867 to 1965 (Yukon and N.W.T. Senate Representation)—Mr. Nielsen.

Bill C-127, to amend the Public Service Employment Act (political partisanship)—Mr. Burton.

Bill C-128, to better assure the public's right to freedom of access to public documents and information about government administration—Mr. Roberts.

Bill C-129, to amend the Old Age Security Act and the Canada Pension Plan (reduction in qualifying age)—Mr. Allmand.

Bill C-130, to provide for the protection of news sources (press privilege)—Mr. Fairweather.

Bill C-131, respecting the protection of records of Canadian Business Concerns—Mr. Mather.

Bill C-132, Proclaiming the Canadian Flag Day a National Holiday—Mr. Haidasz.

Bill C-133, to amend the Railway Act (reduction in passenger service)—Mr. Allmand.

Bill C-134, respecting the race and national origin of Canadians—Mr. Downey.

Bill C-135, to amend the Criminal Code (young offenders)—Mr. Woolliams.

Bill C-136, to amend the Immigration Act (mental retardation)—Mr. Mather.

Bill C-137, to amend the Criminal Code (air and water pollution)—Mr. Allmand.

Bill C-138, respecting rate fares for disabled persons on federal modes of transport (free or reduced rates)—Mr. Nesbitt.

Bill C-139, to amend the Criminal Code (kidnapping)—Mr. Caouette.

Bill C-140, to amend the Public Service Staff Relations Act—Mr. Orlikow.

Bill C-141, to amend the Financial Administration Act (Public Accounts)—Mr. Hales.

Bill C-142, to amend the Criminal Code (obliteration of motor vehicle serial numbers)—Mr. Mather.

Bill C-143, to amend the Criminal Code (adjournment for accused to obtain legal representation)—Mr. Allmand.

Bill C-144, to amend the Criminal Code (attempted suicide)—Mr. Forrestall.

Bill C-145, to amend the Broadcasting Act (equal time to opposition parties)—Mr. Orlikow.

Bill C-146, respecting the labelling of hazardous household products—Mr. Mather.

Bill C-147, respecting the labelling of detergents and cleaning agents containing phosphate compounds—Mrs. MacInnis.

Bill C-148, respecting Canada Day—Mr. Broadbent.

Bill C-149, to amend the Inquiries Act (publication of reports)—Mr. Alexander.

Bill C-150, to amend the Supreme Court Act (judicial office)—Mr. McCleave.

Bill C-151, respecting Conservation Day—Mr. Sulatycky.

Bill C-152, respecting tobacco as a health hazard—Mr. Robinson.

Bill C-153, to amend the War Measures Act—Mr. Orlikow.

Bill C-154, to amend the Canada Corporations Act (not agents of Her Majesty)—Mr. Fortin.

Bill C-155, to amend the Criminal Code (attempted suicide)—Mr. Robinson.

Bill C-156, to amend the Indian Act—Mr. St. Pierre.

Bill C-157, to amend the Territorial Sea and Fishing Zones Act—Mr. Howard (Skeena).

ORAL QUESTION PERIOD

UNEMPLOYMENT INSURANCE

DELAY IN PAYMENT OF BENEFITS—BATHURST, N.B.—REQUEST FOR IMMEDIATE INVESTIGATION OF REASONS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Acting Prime Minister. In light of the tragic circumstances brought about by the lateness of payments of unemployment insurance claims, resulting in suffering and undue hardship and culminating in continuing demonstrations in the Bathurst area, I should like to ask the Acting Prime Minister whether he would give the Bathurst matter a high and urgent priority and commence an immediate investigation in order to ascertain the reasons for the late payments in the hope that there may be immediate payment of outstanding claims?

Hon. Mitchell Sharp (Acting Prime Minister): As the hon. gentleman knows, this matter is a first priority with the government. We are doing everything possible to speed up the payment of claims. The parliamentary secretary to the minister is here, and I am sure he would be happy to supplement this information.

Mr. Alexander: In light of the fact that the minister responsible has, in no uncertain terms, given consent to the convening of the Standing Committee on Labour, Manpower and Immigration in order that this whole matter can be delved into in the hope that proper conclusions can be reached, will the Acting Prime Minister, in conjunction with the acting House leader, convene the Standing Committee forthwith so this matter can be looked into and, hopefully, in order that the necessary solutions can be arrived at so as to make this act more feasible?

Mr. Sharp: I can assure the hon. gentleman that the government has nothing to withhold. It is making efforts to make this new and improved unemployment insurance plan workable and to ensure that payments are made on time. It is my understanding that the estimates can be referred at any time, if they have not already been referred to the committee, and the comments of the hon.

gentleman can be made in the committee and the parliamentary secretary and others can answer.

Mr. Lambert (Edmonton West): That does not achieve payment.

Mr. Alexander: I find the Acting Prime Minister's answer wholly unacceptable. In any event, can he assure the House, pursuant to the policy that was set down by the minister responsible, that so far as the Bathurst area is concerned unpaid claims will be paid within the next 72 hours?

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, the Acting Prime Minister suggested that perhaps I could assist in clarifying the situation.

Some hon. Members: Oh, oh!

Mr. Alexander: Answer yes or no.

An hon. Member: You caused a riot down there.

Mr. Perrault: First, on behalf of the minister I wish to advise the House that I intend to speak about the Bathurst situation later this morning in the Throne Speech debate. Second, all claims which have been brought to the attention of the commission have indeed been paid.

Some hon. Members: Oh, oh!

Mr. Perrault: Third, the New Brunswick Federation of Labour has issued a statement saying that the situation has been very much overblown, and I will read that into the record of the House this morning. Fourth, further demonstrations serve only to impose further hardships on those entitled to unemployment insurance benefits.

Mr. David Orlikow (Winnipeg North): The parliamentary secretary said that all claims have been paid. I would like to ask him, if that is so, why in Bathurst we had the disgraceful situation which occurred yesterday?

Mr. Perrault: Let me say to the hon. member that he should be more diligent in his research. He should contact the Canadian Labour Congress, Ottawa headquarters, and he will be a wiser member if he does so about the situation in New Brunswick.

Mr. Speaker: Order, please.

Mr. Orlikow: Mr. Speaker, I would have thought that the place to get information was in Bathurst, not in Ottawa. However, I wonder whether we can get from the parliamentary secretary, not the kind of partisan speech which we usually get but on an early occasion, if not today, a statement outlining what the government intends to do to ensure that the kind of occurrence which happened in Bathurst yesterday will not take place in other places in the next couple of weeks?

Mr. Perrault: I will be pleased to give the House a full report this afternoon.

Inquiries of the Ministry

[*Translation*]

DELAYS IN PAYMENT OF BENEFITS—MEASURES TO RESOLVE DIFFICULTIES IN MONTREAL

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I have a question for the Acting Prime Minister.

As he told us a few minutes ago that the Unemployment Insurance Commission was attempting to find means of speeding up processing of claims for unemployment insurance benefits, could he assure us that something will also be done about releasing files in Montreal which, for some reason or another, come from the computer, are filed away and left undisturbed so long as the claimant does not mention them, and also about informing claimants of any contradiction which might arise?

• (1120)

[*English*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I have heard the representations of the hon. member and I am sure the Unemployment Insurance Commission will investigate them.

DELAY IN PAYMENT OF BENEFITS—ACTION TO PREVENT LOAN-SHARK OPERATIONS

Mr. Doug Rowland (Selkirk): Mr. Speaker, my question is directed to the Parliamentary Secretary to the Minister of Manpower and Immigration. Is the department aware of loan-sharking operations, the lending of money against unemployment insurance cheques, resulting from the delays in payment and, if so, what action is the commission taking to prevent this occurrence?

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, the situation will be investigated. If indeed, such a situation exists it is clearly despicable.

BATHURST, N.B., DEMONSTRATION—NUMBER OF ACTUAL UNEMPLOYED INVOLVED

Mr. E. B. Osler (Winnipeg South Centre): Mr. Speaker, my question is directed to the parliamentary secretary. Can he tell the House whether he has any estimate of the number of actually unemployed people who were involved in the problem in Bathurst and how many were trucked in from outside to demonstrate?

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, the total number of claims lodged is 10,132, and after the matter was drawn to the attention of the commission only 22 were found to be legitimately or illegitimately delayed, if you want to put it that way. Those cases have been taken care of. Twenty-two out of 10,000 is not a bad batting record.

Some hon. Members: Hear, hear!

[Mr. Perrault.]

REQUEST FOR DECENTRALIZED ISSUANCE OF CHEQUES TO EXPEDITE PAYMENT OF BENEFITS IN CALGARY AND EDMONTON

Mr. Eldon M. Woolliams (Calgary North): I should like to ask the parliamentary secretary whether in the course of his investigations he would look at the situation that exists in the cities of Calgary and Edmonton, which is similar to that raised by other hon. members? Payment of unemployment insurance cheques is now centralized in Winnipeg, causing hardship and delay in Calgary and Edmonton, cities of approximately 400,000 people each. This seems to be the hold-up. Will the parliamentary secretary investigate this matter so that the cheques can get out to the people and they can get something to eat?

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, the plan is continually under review. If the hon. member has a specific suggestion to make it will be given detailed consideration by the commission. I would suggest that he surely does not want to return to the long dreary line-ups of ten years ago.

Mr. Speaker: Order, please. A number of hon. members are seeking supplementaries, but I think we might complete the first round of questioning and return to this subject. I see the hon. member for Trinity, the hon. member for Wellington and others. I think we should complete the first round of questioning and then return to hon. members' supplementaries on this subject.

* * *

TRADE

CANADA-UNITED STATES—INQUIRY AS TO CONTINUING OF NEGOTIATIONS—REASONS FOR DELAY

Mr. David Lewis (York South): Mr. Speaker, I should like to direct a question to the Minister of Industry, Trade and Commerce. Are trade negotiations continuing with the United States administration and are any meetings taking place now between officials or other representatives of the two governments?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I reported previously, Mr. Speaker, that the contacts are maintained. I have also indicated that attempts are being made now to ascertain how and when the actual negotiations will be resumed.

Mr. Lewis: In view of the first part of the minister's answer, would he inform those of us who find it difficult to understand why there are delays in the resumption of negotiations? Why are there difficulties in getting the two sides to sit down again to negotiate? Are some conditions being put to the Canadian government which are preventing that from happening?

Mr. Pepin: Mr. Speaker, the usual quote applies here—it takes two to tango. The American negotiators have other things to do. They are busy in Congress for example, and they are presumably also reviewing their positions in these negotiations, and so on. I do not think the delay is abnormal. It is understood by both sides that the doors

are open and that negotiations will resume at the earliest possible moment.

Mr. Lewis: Mr. Speaker, in view of the importance the government itself has given to these negotiations and to the possible results of them, can the minister indicate when they are likely to begin again, or are they deliberately being delayed until after an election in Canada in order that the negotiations and the results might not interfere with certain intentions of the Canadian government?

Mr. Pepin: The hon. member can do his own thinking, his own prognosticating, his own forecasting or whatever he feels like doing on this matter.

Mr. Lewis: That is pretty revealing, Mr. Speaker.

MINI-TYPE SUBMARINE—ROLE OF DEPARTMENTAL OFFICIALS IN POSSIBLE SALE OR RENTAL TO RUSSIA

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, could I ask a further supplementary question of the minister within a narrower area and having to do with the irritants that the minister talked about on previous occasions. Specifically, can he indicate to the House the basis on which some of his departmental officials continue to act on behalf of International Hydrodynamics, I believe it is, on the west coast with respect to the sale or rental of the Pisces deepwater submersible to the Soviet Union?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, my department issues export permits and that is the basis of our departmental involvement in this matter. I am not sure what the hon. member wants me to answer. Would he help me out?

Mr. Forrestall: Mr. Speaker, briefly, can the minister indicate whether or not any officials of his department are either en route to the United States or are going there shortly to reopen negotiations with our American neighbours with respect to the sale or rental of the Pisces, either on an open or constrained basis, to Russia?

Mr. Pepin: Mr. Speaker, I could find the reference to a previous answer in which I said that consultation has been going on, and presumably it is still going on, between Canada and the United States on this particular matter. Is there anything wrong with consulting?

Mr. Forrestall: Has the minister advised the Department of National Defence of his action?

CANADA-UNITED STATES—POSITION REGARDING RESUMPTION OF NEGOTIATIONS

Mr. Edward Broadbent (Oshawa-Whitby): I have a supplementary question, Mr. Speaker. Would the minister clarify his earlier answer? On the one hand he seemed to suggest that the talks had ceased on the basis of mutuality, if you like, between Canada and the United States but that the door was open on either side. On the other hand he seemed to suggest that it was the Americans who had broken off the talks because they were trying to consider the Canadian offer. Would he be a little more precise? Has the government of Canada said to the government of the United States that it would like an early resumption of the talks, or have both governments simply said, one to the other: We will stop talking now but if it is in the interests of one or the other we will resume them again soon?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, the Americans are quite aware that we are open to a resumption of negotiations at the earliest possible moment. We are ready to go whenever they are.

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[*Translation*]

TRANSPORT

POSSIBLE PURCHASE OF AIR CUSHION VEHICLES FOR COASTGUARD

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I have a question for the Acting Prime Minister.

Does the government intend to acquire one or several hovercraft for use by the coastguard service?

[*English*]

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I will take that question as notice.

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THE CANADIAN ECONOMY

MEASURES TO STIMULATE CAPITAL INVESTMENT

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is for the Acting Prime Minister. In view of the reported and unprecedented 35 per cent unemployment rate in the construction industry in Toronto, which probably is reflected in other parts of the country as well, and in view of the statement by the president of the Canadian Construction Association attributing this fact to a drop-off in plant and industrial expansion, may I ask the Acting Prime Minister whether the government intends to take measures to stimulate capital investment? I ask this question especially in view of the latest Economic Council of Canada report which underlines the substantial decline in capital investment in Canada.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the Minister of Finance answered this question yesterday in the question period and in his speech. There has been a notable recovery in confidence following the introduction of the measures that the government announced on fiscal policy last fall and the solution of the international monetary problem. As far as we can foresee, there will continue to be in this country as rapid an expansion as in any country in the world during 1972.

Mr. McGrath: Mr. Speaker, may I ask the Acting Prime Minister a supplementary question. In light of the statement made by the president of the Canadian Construction Association wherein he refers to uncertainties within the federal government with respect to the competition bill and other federal trade and employment policies, may I ask the Acting Prime Minister whether we can expect a

statement from the government with respect to these legislative measures?

• (1130)

Mr. Sharp: Yes, Mr. Speaker. These measures have been mentioned in the Speech from the Throne, and government policy, of course, will be announced at the time the measures are introduced.

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INDUSTRY

POSSIBLE CLOSING OF McBEAN COLLIERY—REQUEST FOR AID UNTIL COAL MINING POLICY FORMULATED

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, in light of the grave concern of my constituency resulting in a meeting involving many hundreds of people a few days ago because of the imminent closing of a coal mine in Thorburn, Nova Scotia, and in view of the comments made by the Minister of Energy, Mines and Resources in his speech yesterday about the viability of the coal mining industry, can the parliamentary secretary or the Acting Prime Minister tell us whether the government will advance aid to the McBean colliery until such time as these policies to make coal mining viable are formulated?

Mr. Jack Cullen (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I will take note of the hon. member's question and bring it to the attention of the minister.

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TRADE

DISCUSSION WITH COMMONWEALTH CARIBBEAN COUNTRIES ON SUGAR TARIFF REBATE

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I wish to direct a question to the Acting Prime Minister concerning the tariff rebate on Commonwealth-Caribbean sugar which caused a great deal of trouble a while ago and which under protest the government reinstated to the end of 1971. Can the minister advise what the situation is for the current year and whether discussions have or are being carried on with the governments of the Commonwealth Caribbean countries?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, so far there has been no change in policy. There are no discussions going on now with the Caribbean countries. We will have to have discussions, of course, arising out of the need to make a decision whether we will continue the rebate, and, they will also be interested in the report of the tariff commission which deals with the same subject.

Mr. Macquarrie: Do I understand from the Acting Prime Minister that the rebate has been paid and is being paid now?

Mr. Sharp: Yes, Mr. Speaker. It is my understanding that it has not been stopped.

[Mr. McGrath.]

POWER

PROPOSED JAMES BAY HYDROELECTRIC DEVELOPMENT—POSSIBILITY OF STOPPING PROJECT IF ECOLOGICAL DAMAGE EXCESSIVE

Mr. Randolph Harding (Kootenay West): I have a question for the Minister of the Environment or his parliamentary secretary. In view of the fact the minister indicated to the House the other day that ecological research on the James Bay project does not deal with the question whether or not the project should proceed on the basis of environmental damage because it is a provincial problem, can the federal government stop this or any other project if the ecological damage were excessive and interfered with certain areas under federal jurisdiction?

Mr. Speaker: Order, please. It seems to me that the question as asked is defective in a number of ways. It is clearly hypothetical. The hon. member might like to rephrase the question. I know the matter is important and I do not want to be unfair to him.

Mr. Harding: Mr. Speaker, will the federal government stop this project if the ecological damage is excessive?

Mr. Eymard Corbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, the department in consultation with the government of Quebec, is preparing a comprehensive list of further studies to be carried out during the next few years. The hon. member should remember that our preliminary environmental study was carried out. It served the basic purpose of pointing out areas which require further study. We are now establishing this list in co-operation with the province of Quebec.

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ENERGY

PROPOSED MACKENZIE VALLEY PIPELINE—CONSIDERATION IN STUDIES OF ECOLOGICAL DAMAGE IN RELATION TO BENEFITS

Mr. Randolph Harding (Kootenay West): Can the Parliamentary Secretary to the Minister of the Environment tell the House whether the question of ecological damage versus benefits is being considered in the studies now going on relating to the proposed Mackenzie River pipeline?

Mr. Eymard Corbin (Parliamentary Secretary to Minister of the Environment): All aspects of the problem are being looked at, Mr. Speaker.

* * *

POWER

PROPOSED JAMES BAY HYDROELECTRIC DEVELOPMENT—EARLY ANNOUNCEMENT OF FEDERAL CONDITIONS FOR APPROVAL

Mr. G. H. Aiken (Parry Sound-Muskoka): I wish to direct a question to the Acting Prime Minister. In view of the statement yesterday by the Prime Minister of Quebec that his decision on the James Bay project is irreversible, does

the federal government expect shortly to outline its conditions for approval of this project?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I would like to give a considered answer to that question which the hon. member understands is of very considerable importance. I hope he will allow me to take the question as notice.

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MANPOWER

LOCAL INITIATIVES PROGRAM—AMOUNT OF FUNDS NOT YET ALLOCATED

Mr. Norman A. Cafik (Ontario): Mr. Speaker, I have a question for the Parliamentary Secretary to the Minister of Manpower and Immigration. Will he indicate whether the $150 million LIP budget has yet been allocated and, if not, how much of this fund remains to be used for unapproved projects?

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, as of yesterday afternoon approximately $4 million remained to be expended under the terms of this program. Almost 88,000 jobs were involved, exceeding all estimates.

Some hon. Members: Hear, hear!

Mr. Cafik: Of the approximately $4 million yet to be expended, how much of that is for programs originating from local groups and how much from municipalities under the LIP program?

Mr. Perrault: Mr. Speaker, the actual allocation of the $4 million, of course, remains to be known. To this time, of the funds which have been allocated, $146 million, $92.2 million has gone to the private sector and $53.4 million to municipal projects.

Mr. A. D. Hales (Wellington): A supplementary question. Can the parliamentary secretary explain why as far back as two weeks ago people were receiving letters stating that their applications had been refused because the government had run out of money?

Mr. Perrault: The answer, Mr. Speaker, is that the number of applications under this program in process of consideration—as hon. members know, the application deadline was January 31—exceeds the remaining money available. Further applications, therefore, cannot be considered.

Mr. Speaker: The Chair will allow one last supplementary on this subject.

LOCAL INITIATIVES PROGRAM—FUNDS ALLOCATED, AMOUNTS SPENT, APPLICATIONS RECEIVED, BY PROVINCES

Mr. John Burton (Regina East): I have a supplementary question for the parliamentary secretary. Is the government now prepared to make public the allocation of funds under this program to each province? Also, is the government prepared at the earliest possible date to make public information on the amounts of money spent in each province and the total amount and numbers of applications received from each province under this program?

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, I will make this request known to my minister. I know it will be given careful consideration.

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AIR TRANSPORT

HIJACKING OF PLANES—INTRODUCTION OF REGULATIONS TO ENFORCE SCREENING OF PASSENGERS AND BAGGAGE

Mr. S. Perry Ryan (Spadina): I wish to direct a question to the Acting Prime Minister with regard to hijacking or skyjacking. Is the government going to bring in regulations, similar to those introduced by the United States federal aviation authority, ordering all airlines to screen all passengers and baggage as an anti-hijacking measure?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I think this question ought to be directed to the Minister of Transport under whose jurisdiction it falls. I am sure he will be happy to answer it when he returns to the House.

* * *

INDUSTRY

FOOTWEAR—REQUEST FOR STATEMENT ON STUDY

Mr. Lloyd R. Crouse (South Shore): My question is to the Minister of Industry, Trade and Commerce. Will a statement be made by the minister on the study prepared by his department which indicates that the Canadian footwear industry will be destroyed by 1975 unless federal government action is taken?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Yes, Mr. Speaker. That is probably in the marketing study that I tabled in the House yesterday. In recent months my department has conducted two major studies on the footwear industry, one on the degree of efficiency reached by the industry and another on their marketing practice and techniques. This is one of many contributions we are making to this industry. We are now developing a footwear plan, particularly with the government of Quebec and following up with the government of Ontario. As a matter of fact, in a few minutes I will be meeting the provincial minister from Quebec on this particular issue. We hope to develop the fullest co-operation between the two levels of government, each using its own instrumentation and maybe not finding the solution but substantially improving the present situation.

Mr. Crouse: A short time ago a footwear plant closed in the town of Milton, Nova Scotia, which accounts for my interest in this matter. Will steps be taken to help revitalize the footwear industry, for example, in the province of Nova Scotia?

Inquiries of the Ministry

Mr. Speaker: Order, please. I suggest the minister's answer covered the question.

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INFORMATION CANADA

REASON FOR INCREASE IN ESTIMATES

Mr. Barry Mather (Surrey-White Rock): I wish to direct a question to the Minister of Labour in his capacity of reporting for Information Canada. Bearing in mind the fact that one reason for setting up Information Canada was to co-ordinate the services of the various departments and, hopefully, to reduce their costs, and also noting in the estimates tabled this week that the cost has now increased to $1 million a week, is this increased spending on government information to be a continuous policy or is it geared specifically to this fiscal and election year?

• (1140)

Mr. Speaker: Order, please. The hon. member for Cape Breton-East Richmond.

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MANPOWER

LOCAL INITIATIVES PROGRAM—NEWS RELEASES TO MEMBERS CONCERNING APPROVALS

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I have a supplementary question about the Lift program which I will address to the parliamentary secretary, though I do not approve of asking parliamentary secretaries questions because they cannot speak for the government. Does the fact that there are no more funds available mean that the urgent messages that cross our desks notifying us that certain projects have been approved will now cease? For example, I had one come to my desk this morning, despite the fact that the promoters of the project were notified a week ago.

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, I am unable to answer that question without receiving further information from the hon. member, but we will give the matter very careful consideration, if such information is made available.

Mr. Speaker: Order, please.

Mr. MacInnis: A supplementary question.

Mr. Speaker: Perhaps the hon. member might ask a supplementary and then we will pass on to the next question.

Mr. MacInnis: Are members going to be notified that these approvals have been made a week after they have announced by another minister? Are these wasteful messages going to continue?

[Mr. Crouse.]

NATIONAL PARKS

STATE OF NEGOTIATIONS BETWEEN FEDERAL AND MANITOBA GOVERNMENTS CONCERNING ESTABLISHMENT OF SECOND PARK

Mr. Robert Simpson (Churchill): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development. In view of the minister's recent statement about the necessity for more national parks, can he say what progress, if any, is being made in negotiations between the federal government and the province of Manitoba in regard to a second national park in that province?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, we are not making very much progress in this regard. I am a bit disappointed because when the premier of the province was a member of this House he asked me when we were going to have a second national park in Manitoba but he has now been premier for three years and has not moved on it yet.

Mr. Simpson: Can I take it from the minister's reply that the next move is up to the province of Manitoba?

Mr. Chrétien: Of course, Mr. Speaker. Crown lands within the boundaries of Manitoba are under provincial jurisdiction.

STATE OF NEGOTIATIONS BETWEEN FEDERAL AND SASKATCHEWAN GOVERNMENTS CONCERNING ESTABLISHMENT OF SECOND PARK

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, I have a supplementary question for the minister. In view of the fact that his department promised the province of Saskatchewan a second national park as long ago as 1965, can he say whether an agreement has been reached or is about to be reached with the province of Saskatchewan?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I can give the hon. member the same answer in regard to Saskatchewan.

Mr. Speaker: Order, please. I have from time to time suggested to hon. members that it was not in order to ask questions during the question period about applications for national parks. Normally these questions ought to be placed on the order paper. The hon. member for Trinity.

* * *

UNEMPLOYMENT INSURANCE

NUMBER OF PEOPLE DRAWING BENEFITS ON JANUARY 31, 1972—REASON FOR DELAY IN PRODUCING STATISTICS

Hon. Paul Hellyer (Trinity): Mr. Speaker, I should like to direct my question to the Parliamentary Secretary to the Minister of Manpower and Immigration. Could the parliamentary secretary advise the House how many people were drawing unemployment insurance benefits as of January 31 of this year?

Mr. Speaker: Order, please. I am not sure that that question is in order. I always have reservations, according to long-established practice, about allowing questions requiring statistical information. However, if the parliamentary secretary can supply the information the question will be allowed.

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, may I thank the hon. member for providing prior notice of his intention to ask this question. Statistics Canada compiles the number of claims registered for unemployment insurance benefits at the end of each month. The latest published figure shows the number at the end of October, 1971, and this was published in January, 1972, in the document "Statistical Report on the Operations of the Unemployment Insurance Act". It is expected that the January figures will be available toward the middle of April.

Mr. Hellyer: Can the parliamentary secretary explain to the House why there is a three or four month time lag in getting these statistics? Certainly this is a reflection of the present situation that exists in the commission and I do not think it is good enough. Would the parliamentary secretary undertake to ask Statistics Canada to get the statistics out within a month following the end of a month so that Members of Parliament would have meaningful information available to them?

Mr. Perrault: Mr. Speaker, as the hon. member is aware, the gathering of statistics on the subject is a complicated matter. For example, the figures are overstated by 20 per cent in terms of active files. If a claimant does not report because of becoming re-employed, a period of five weeks is allowed to elapse before his claim is transferred to the inactive file. The object is to acquire as accurate statistical data as possible, but this does take time.

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ADMINISTRATION OF JUSTICE

RELEASE OF YVES GEOFFROY FROM ST. VINCENT DE PAUL PENITENTIARY—METHOD OF TAKING DELIVERY OF PASSPORT

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question is directed to the Secretary of State for External Affairs and it arises out of the answer given yesterday that he would obtain information on how the fake passport in the Geoffroy case was delivered.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, as I said yesterday, the passport was delivered in the mail. The application was received in the mail and the passport was delivered in the mail. Having talked to the RCMP I am advised that in view of the possibility of damage being done to the police investigation it would be desirable that no further disclosure of information concerning the passport be made.

Inquiries of the Ministry

RELEASE OF YVES GEOFFROY FROM ST. VINCENT DE PAUL PENITENTIARY—RCMP INVESTIGATION INTO PASSPORT—POSSIBLE CHARGES

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I have a supplementary question and I hope that the minister will not use the excuse that the matter is under investigation to refrain from answering it. Would the minister advise the House when the investigation was commenced by the RCMP and when the minister received information about the forged passport? I think that is very important and I see nothing in it that would hurt the investigation. In addition, are there any charges contemplated at this moment?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, to the final question the answer is no. As I said in my original answer, all the documents that have been produced are, in the opinion of the police, forgeries. The RCMP obtained access to our files as soon as they began to be concerned, which was immediately, about how Geoffroy and his wife had left the country. We had issued no passport in his name. The police went through the files and discovered in the files a passport application with Geoffroy's picture in it, and that is how it was identified. That discovery was made on January 28.

Mr. Woolliams: Could I ask one further question, Mr. Speaker. When was this information brought to the minister's attention in his capacity as Secretary of State for External Affairs? When did you get that information, and when did you advise the Solicitor General?

Mr. Speaker: Order, please. We will assume that that question was addressed to the Chair.

Mr. Woolliams: I am sorry, Sir.

Mr. Sharp: The information was conveyed to me by the police immediately. It was conveyed to the Solicitor General, who is responsible for the police, at the same time.

[*Translation*]

RELEASE OF YVES GEOFFROY FROM ST. VINCENT DE PAUL PENITENTIARY—REQUEST FOR INVESTIGATION INTO DISPOSAL OF PERSONAL ASSETS

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I have a supplementary for the Acting Prime Minister.

Could he tell us whether he has called on the RCMP to conduct an inquiry as to how Mr. Yves Geoffroy disposed of his property, on the very day of his evasion from Canada or the day before, and whether there is anything suspicious about this case?

[*English*]

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I am not personally aware of these circumstances. It would not ordinarily be my responsibility as Secretary of State for External Affairs to inquire into those circumstances. This is a question that should more properly be directed to the police, to the Solicitor General.

Mr. J. P. Nowlan (Annapolis Valley): A supplementary question, Mr. Speaker.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Annapolis Valley on a last supplementary on this subject since we will be running short of time. The hon. member for Broadview will be recognized immediately afterward since he has been very patient.

Mr. Nowlan: We have all been patient, Your Honour, and Your Honour has been patient too from time to time. Without trespassing further on your patience, I will put my question to the Acting Prime Minister. As Acting Prime Minister would he consult directly with the Solicitor General so that the Solicitor General can report to this House on Monday whether any inquiry or investigation has been made into business transactions that may have been carried out by Mr. Geoffroy after his release from penitentiary and before his disappearing act?

Mr. Sharp: Mr. Speaker, I am sure that *Hansard* will be scrutinized very carefully by the Solicitor General and that he will endeavour to satisfy the hon. member.

Mr. Woolliams: Mr. Speaker, I wonder whether I could ask a further supplementary question?

Mr. Speaker: The Chair did undertake a moment ago to recognize the hon. member for Broadview.

[*Later:*]

RELEASE OF YVES GEOFFROY FROM ST. VINCENT DE PAUL PENITENTIARY—DELIVERY OF PASSPORT

Mr. Eldon Woolliams (Calgary North): The Secretary of State for External Affairs told us that the passport had been sent out by mail. Was it sent by registered mail, and to what address was it sent? I cannot see that giving this information would affect the police investigation.

Hon. Mitchell Sharp (Secretary of State for External Affairs): It was, of course, sent by registered mail, as passports always are. I have discussed with the police the specific point which the hon. member has raised. They said that from their point of view it would be desirable if no further information about the passport were revealed and it seems to me I should take this into account in answering these questions. As far as the administration of passports is concerned, I have nothing to hide. I am withholding the information only to facilitate the investigation by the police, which I hope will result in the apprehension of Mr. Geoffroy.

* * *

UNEMPLOYMENT INSURANCE

BATHURST, N.B.—NUMBER OF UNPROCESSED CLAIMS—REQUEST FOR STATEMENT ON DELAYS AND INCLUSION OF CERTAIN MONEYS AS INCOME

Mr. John Gilbert (Broadview): Mr. Speaker, may I direct my question to the Parliamentary Secretary to the Minister of Manpower and Immigration. In view of the fact the New Brunswick Federation of Labour has stated that there are 290 unprocessed claims, as contrasted with the statement the parliamentary secretary made this morning that there are only 22, would he check further into the matter? At the same time would he agree to make a statement on motions on Monday regarding the reasons for the delays in payments all across Canada, and more particularly regarding the fact that the Unemployment Insurance Commission has included in income such items as severance pay, vacation pay and holiday pay?

• (1150)

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): The statistics to which I referred earlier referred to claims alleged to be sources of delay by the demonstrators who met with officials of the Unemployment Insurance Commission last week. The hon. member may have later information about another group of claims. I will look into the situation. I hope, as I said, to report to the House later today.

Mr. Speaker: Order. We are running short of time. There are just three minutes left before the end of the question period. We should try to move on as quickly as we can.

BATHURST, N.B.—USE OF BELLEVILLE COMPUTER TO PAY CLAIMS

Mr. A. D. Hales (Wellington): My supplementary question concerns unemployment insurance and is addressed to the parliamentary secretary. Recently a report appeared in the *Globe and Mail* to the effect that 300 signed cheques had been sent out from the Belleville computer centre in Ontario to pay immediate claims. Was consideration given to this by the Moncton office so that they might pay immediate claims in Bathurst?

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): I can say without equivocation that the report in the *Globe and Mail* was totally inaccurate and based on misleading and false information.

SUGGESTED PAYMENT OF ALL OUTSTANDING CLAIMS WITHIN TEN DAYS

Mr. Lorne Nystrom (Yorkton-Melville): In view of the continuing difficulty in paying outstanding claims, can the parliamentary secretary give the House any assurance that all outstanding claims for benefit throughout the country will be paid within the next seven or ten days?

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): That is a difficult commitment to make. However, it is the firm intention of the commission to reduce to an irreducable minimum any delays occasioned by inefficiency.

Mr. Nystrom: What does the hon. member mean by "irreducable minimum"? I am concerned about the unemployed.

TRADE

REPRESENTATIONS TO UNITED STATES CONCERNING PROHIBITION AGAINST IMPORT OF CANADIAN URANIUM

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce. Can the minister tell us whether the representations which were made to the United States government early in December seeking a relaxation of the restriction on the import of enriched Canadian uranium for the United States domestic market have resulted in any change in this restrictive policy?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I am very sorry, but my answer will be somewhat coy. I have refused on previous occasions to say what is contained in the agreement ad referendum which was reached at one point during the negotiations to the governments of the United States and of Canada. To answer this question on uranium I would have to use the knowledge I have with respect to what was contained in that agreement ad referendum.

* * *

TAXATION

REASONS FOR REMISSION OF SALES TAX TO GREAT CANADIAN OIL SANDS LIMITED

Mr. David Lewis (York South): Mr. Speaker, I should like to ask the President of the Treasury Board whether he has the information for which I asked him last Wednesday with regard to the remission of $6 million to Great Canadian Oil Sands Limited and the reason this sizeable sum of money was paid out by way of remission of sales tax paid by the company between 1963 and 1967. The minister said he could not recall the details but he undertook to obtain them and respond in the House. Since the details are not difficult to get, perhaps the minister is prepared to tell us now what they were.

Hon. C. M. Drury (President of the Treasury Board): There was, in fact, such an order made—I have confirmed this—

Mr. Lewis: I know. I saw it.

Mr. Drury: —on the recommendation of the Minister of Finance. I have spoken to him and he has undertaken to give the details required on his next appearance in the House.

Mr. Donald MacInnis (Cape Breton-East Richmond): A supplementary question to the minister with respect to the reimbursement made to this United States controlled company. Would the government undertake to give the same consideration to the miners of Cape Breton who have been denied unemployment insurance as a result of the use of coercion by the Devco people?

Mr. Drury: I am certain that the miners of Cape Breton are getting much more consideration by Devco, a Canadian government supported corporation, than the company referred to is getting.

Mr. MacInnis: A further supplementary.

Mr. Speaker: We are running short of time. The hon. member may ask a last supplementary and I shall then recognize the hon. member for Laprairie.

Mr. MacInnis: The minister has indicated that the miners are getting fair treatment. Would he read the report of the Committee on Justice and Legal Affairs and realize that Devco, a Crown corporation, used coercion to take this money from them?

Mr. Speaker: Order.

* * *

OIL

REQUEST FOR INFORMATION ON ELLESMERE ISLAND DISCOVERY

Mr. Ian Watson (Laprairie): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. Can the minister give us any additional information regarding the Panarctic Oils strike on Ellesmere Island?

• (1200)

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I have no additional information to give to the House, except to say that this is the first oil discovery in the Arctic Islands. It is a very important discovery, as it was made at the eastern tip of the Arctic, which means that it is much closer to the markets of eastern Canada.

* * *

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed, from Thursday, February 24, consideration of the motion of Mr. Ross Whicher for an Address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Alexander (p. 212).

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I deeply regret not having taken the opportunity, during the few minutes which were allocated to me last night, to congratulate the movers of the Address in reply to the Speech from the Throne.

After all, the hon. member for Trois-Rivières (Mr. Lajoie) is fairly new in this House. As for the hon. member for Bruce (Mr. Whicher), whom we know as an old militant, he showed in his remarks rather too much partisanship. I think he attempted to secure for the benefit of the Liberal party all possible praise, albeit imaginary, while we must admit that, like all members with little experience in this House, the hon. member for Trois-Rivières is getting a great deal of praise today. But let him have no illusions: he has received his last spontaneous applause. From now on, if he wants praise he will have to deserve it. This is something which all members of this House have had to experience at one time.

[*English*]

I was hoping that the new Minister of National Defence would remain so that we could examine his stewardship as Minister of Finance over a number of years.

The Speech from the Throne does not, of course, disclose anything unusual. It has been commented upon by my colleagues at considerable length. The commentators outside have been even more stringent in their criticisms of the paucity of the Speech from the Throne in respect of financing or dealing with the very difficult situations facing the country, not only economically but socially and politically. Also these are not necessarily all domestic problems but include those from abroad. I must say I found that the task of writing the Speech from the Throne had been assigned to that person on the government side, who perhaps qualified as the possessor of the most purple prose that could be used. We have never seen the like of it, and I trust will never see it again. The list of legislation, of course, which the Prime Minister (Mr. Trudeau) tabled on the conclusion of the speech is a rather mixed bag of not too many things. I am sure the more controversial of those items will see the light of day last. The new Competition Act and the changes in the labour standards, as well as a few other proposals which appear there, certainly will not come forward early in the session.

At this time we are in an election year. There is no denying it.

An hon. Member: It may be next year.

Mr. Lambert (Edmonton West): Certainly, this colours the attitude of the government and the attitude of the House in this debate. I am not critical of that because the essence of politics and partisanship is exposed. This is the arena, this is the forum, and it is sometimes, Mr. Speaker, your unenviable task to act as referee in the exchange of ideas. It is a good thing your duties do not extend to being a referee of a physical exchange between hon. members. We get comments from the exterior, sometimes by editorial writers, who cluck, cluck when there has been a verbal dispute and sometimes a certain amount of verbal disarray in the House of Commons. We get this cluck, cluck and I wonder what they do in their editorial boards and editorial conferences. This is the forum for the expression of ideas. This is where the government must put its programs to the test before the representatives of the people. There is no other place for that expression.

I have absolutely no regrets or reservations about how we conduct our affairs. Do some people think this is a board room of some giant corporation called Canada or that it is an executive body? It is not. Here, we are discussing ideas and programs. We are not making the decisions which actually put these into practice. There is approval or disapproval registered on behalf of the people of Canada. The same thing takes place in the legislatures of the provinces. I sometimes feel the harshest critics of this institution are those people who know least about it, and who know least about the actual workings of this institution as well as the men and women who compose this institution, the Members of Parliament. According to some individuals, at election time the people of Canada go through the gutters of the nation, if there are such, to gather up people. If these people are so possessed of all this knowledge and science, why are they not on the scene offering their help here rather than back at some nameless desk or behind some microphone where they cannot be seen. They are not held responsible for their ideas or expressions.

Having said that, I now turn to the minister's speech. I am sorry he is not here. He actually misled the House the other day. I asked him a question with regard to statements he had made on behalf of the government of Canada at the ministerial conference in Banff between finance ministers. He indicated at that time that I should bide my patience because in his speech he would give us the answers. I have combed that speech. I listened to it, and I combed it in *Hansard,* but I found nary a word of what was said at that conference. There was nary a word of the problems that were discussed. Naturally, there were the views that were leaked out of the conference. The Leader of the Opposition (Mr. Stanfield) asked him some questions and he indicated that later in the day he would answer them. Again, there has been a dead silence on the subject. To that extent, I charge the minister not with misleading the House but with "conning" the House into deferring or turning aside some questions which could have been very embarrassing. But that is not the way to answer. If questions are serious, and these were serious questions, they are deserving of answers.

The Minister of Finance (Mr. Turner) is not a new boy in Canada. This is his third or possibly fourth cabinet appointment. True enough, it is a new portfolio for the minister but he has participated in cabinet meetings at which the economic implications for this country have been discussed. If I know my friend, the hon. member for Ottawa-Carleton, he is not a silent member of the Cabinet and should know the problems. I will say that his speech yesterday was disarmingly fresh in difference of approach. I think one of the first things he has done has been to take that stable of speech writers which previously furnished speeches to his predecessor and given them a holiday. I hope he gives them a permanent holiday because from them we had pronouncements from on high expressed with dogmatic, shall we say, certainty. My colleague from Annapolis Valley (Mr. Nowlan) tells me, there was that dogmatic certainty of pronouncements from a Delphic oracle. They were statements which came down from the Mount of Olympus. In strange contrast, the minister yesterday admitted there were difficulties and a lot of factors which made it very difficult for a Minister of Finance to accomplish his task. The best they could do was to give intelligent forecasts. But I trust this minister will not have the feeling of his predecessor, and in some ways the Minister of State who was assigned to the Minister of Finance, in that as I say their pronouncements were made with certainty.

I remember the former Minister of Finance saying many times what would happen to the economy. Now, the Minister of Finance is saying that, unless a man is a charlatan or a fool, he will not make these hard and fast predictions. I will take the minister at his word, but in that case what does he think of his predecessors who did go make these hard and fast forecasts? What does he think of the Prime Minister (Mr. Trudeau) who just a few months ago said "we have turned the corner; we have mastered inflation and we can now turn to the problem of unemployment"? This administration has no more mas-

tered inflation than they have managed to crawl to the moon on their hands and knees. The minister says we are faced with the twin problems of unemployment and inflation.

• (1210)

It would be interesting to know the position which the Minister of Finance took at the conference in Jasper. Did he or did he not say that there is enough stimulus in the economy to deal with unemployment this year? Is the Bank of Canada now reversing its policy about the amount of stimulus that is to go into the economy because they are afraid of inflation? Do they feel that by the time we get to the end of the year the unemployment situation will have been taken care of and that in the third and fourth quarters of this year we will start moving on an upward trend? It is certainly not indicated that we are moving on an upward trend now, it has to be sometime later. Are those factors at that time going to determine the date of the elections?

We look at the forecasts, and they say that the economy is going to go forward so much in 1972. However, this disagrees with the observations of the Bank of Tokyo which says that there is going to be a slowdown in 1972 and that recovery will be slow. From what the government has said about the performance of Japan, there must be some credence in the observations of the Japanese. They cannot approbate and reprobate.

So what do we have for the forthcoming year? I expect that the Minister of Finance will give us a budget. When will this be? Perhaps the Minister of State, who still has to enter this debate, may be able to tell us when we may expect it. I do not say he will tell us that on a certain night at 8 p.m. the budget will be delivered, but he should be able to tell us in his speech how many of the glaring errors in Bill C-259 will be corrected, those that are more obvious. They knew they were wrong when the bill was before the House but because it would have been difficult to add more amendments, and they were gunshy of amendments because of the criticisms that they had faced over the hundreds that they had put in since the introduction of Bill C-259, we will now get them this year. Is the Canadian public going to have these further inequities inflicted on our economic system Those are the things we want to hear from the hon. member for Calgary South (Mr. Mahoney) if and when he takes part in this debate. We will see whether we are going to get the answers to the questions that I put to the Minister of Finance the other day.

I have another question: did the Minister of Finance and his officials in Jasper advise the provinces that the federal and provincial governments should end the expansionary efforts which culminated in the October mini-budget? I ask the Minister of State: is this the position of the government of Canada today, that the proposals contained in the mini-budget of October are to be the peak of the expansionary efforts of the government of Canada, and are we now going to see provincial entrenchment as a result, or just what will this be? I ask the minister to be frank with the House. The government should come clean with the people of this country. We have already seen credibility gaps right, left and centre. We have several credibility gaps in the Solicitor General's Department, as well as in the Department of the Minister of National Revenue as a result of being told by the Prime Minister when we were going to get the government's policy on foreign ownership. It was going to be last June and then it was going to be in September. There was a leak in September which created some difficulties at that time. Then, it was going to come before the end of the session, and in the interval we heard that it would be soon or that it would not be long delayed. The last we heard was that it was going to be introduced around February 16. Now, there is no such indication and the whole question has been put into cold storage. This is part of the credibility gap.

There is another credibility gap that I think we should put on the record. Some weeks ago the Prime Minister took one of these quasi non-political forays into Toronto that the Prime Minister loves to take these days. There, he lectured to people about what should be the work ethic of a lot of people. He said that there were jobs available in the country if only people would get off their sternums and go and get them. It was quite a lecture. Now, I will give a reply to that. It is contained in a delightful letter, and I will ask the House for some forbearance while I read it. The letter appeared in the Victoria *Daily Columnist* of February 16. Perhaps the Prime Minister will not like this. This may be part of bigot land and there might be some prejudice against the Prime Minister in some of the statements made.

The letter is signed "unemployed". It reads:

PM'S JOBS

Several days after Mr. Trudeau announced via a TV interview that there was an abundance of jobs in Canada, if anyone was willing to leave the cities and not expect an enormous wage, I phoned the local Manpower Office to apply for one. I am unemployed and registered with Manpower. I informed them that I was willing to go anywhere in Canada and work at any job at all.

What more could you ask of an individual?

The first person I spoke to knew nothing about these jobs, or the Prime Minister's statement, and passed me on to another staff member. This man said that he had heard that such a statement had been made, but knew nothing about these jobs, and connected me with another who was equally at loss and could not supply me with any information. By the time I had been referred to several other clerks, all presumably of higher rank, I could see that one and all treated the PM's statement as a big joke. When I finally reached the end of the "buck-passing" line, the clerk in charge admitted to me that at the present time there were no jobs to be had anywhere in Canada through Manpower.

One week later, I again phoned, and received the same runaround, being told "if there are any of these jobs Mr. Trudeau hasn't told us where they are".

• (1220)

Is this a true picture of the employment situation in Canada or is the PM using the old whitewash brush? Or is Manpower just not doing its job? If so, why won't they refer willing and able people to available jobs?

Does the general public know that the policy of local Manpower is when supplying a demand for hourly paid workmen to the largest federal government employer here in this area, namely DND, is to refer ex-service men who are on pension. What chance has any young man under 40 years of age to get into an hourly pay position in say HMC Dockyard, when the openings are being filled with men already on government pension? I understand a few

exceptions are being made occasionally; under what conditions I do not know.

Perhaps Mr. Trudeau should look into this situation.

UNEMPLOYED

Mr. Béchard: Signed . . . ?

Mr. Lambert (Edmonton West): "Unemployed".

Mr. Béchard: An unemployed Conservative?

Mr. Lambert (Edmonton West): I don't know. After all he does not express his political views. This is an attitude that one sees reflected in other letters to the press and letters to Members of Parliament. This is not a letter written to me, it is a letter written to the public and the point is clear. That is part of the credibility gap, part of the substantiation of the motion moved by my colleague, the hon. member for Hamilton West (Mr. Alexander).

I want to speak briefly about two matters before I return to the economic section of my remarks, Mr. Speaker. First of all, the other day I addressed a question to the Prime Minister asking if the government had abandoned its clear undertaking to the former minister of manpower and immigration, since there was an absence of any mention in the list of legislation of amendments to the Immigration Act or the Immigration Appeals Board Act. In reply to previous questions from myself and some of my colleagues the answer of the former minister was that these amendments plus a white paper were imminent, just over the horizon. It almost became a game between myself and the hon. member for Saskatoon-Humboldt (Mr. Lang) to determine what he meant by "soon". Now, we have the disquieting rumour, and it may be much more than a rumour, that up to half a dozen senior officials of the Department of Manpower and Immigration—and I know this as a personal fact—who have been working very hard on amendments to the Immigration Act in order to bring some order to a chaotic system and whose work has been put aside for an indefinite period aux calendes grecques, are about to resign or ask for reassignment. I certainly want to know why.

Is it fair that there should be over 7,500 appeals pending before the Immigration Appeals Board? The board works hard but the maximum work load that it can carry in a year is 950 cases which is a fair number. But there is a backlog of 7,500 cases. Some of the people who presently have appeals based on a bona fide difference of opinion with the Immigration Department as to their qualifications under the points system will be old men and women, have children and grandchildren before their case is reached. In the meantime, they will be suspended in limbo if the silly program which now exists and this inaction is allowed to continue.

This problem has to be resolved. I am not advocating or implementing any philosophy, "a la Joe Sedgwick", that we are going to answer this question. The system is arbitrary, and has substituted a so-called administerial discretion by a bureaucratic discretion. Any person who dares to object to an assessment of points under such a system must face a special inquiry and be subject to a deportation order before he can get to the Immigration Appeals Board.

Mr. Haidasz: Shame!

[Mr. Lambert (Edmonton West).]

Mr. Lambert (Edmonton West): There is nothing more degrading, more intimidating or more of an administrative blackjack than this requirement that an immigrant, particularly one allowed in as a visitor who has made application for immigrant status to be given, say, 45 points, and then presumes—I would guess that the immigration officials even say "dares"—to question the assessment. He must go the deportation route before he can get an adjudication on his qualification on points since the Supreme Court of Canada has decided that the Immigration Appeals Board is competent to do that. One would almost think that this pile-up of appeals is part of a calculated program by immigration officials to get at the Immigration Appeals Board, to so jam up the system that something has to be done. There is something rotten in the whole set-up.

As my last point, Mr. Speaker, if I may, I should like to speak about the RCMP.

Mr. Speaker: The hon. member's time has expired but he may continue with the leave of the House.

Some hon. Members: Carry on.

Mr. Lambert (Edmonton West): I wish to thank hon. members, Mr. Speaker, and I shall not abuse the privilege. The last point I wish to make deals with a subject I have raised in this House this week, and in public last week, with regard to change in the administration policy about the designation of the Royal Canadian Mounted Police—

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): —on buildings, on automobiles and on boats. I grant that this was not instituted yesterday nor by the present minister. But, Mr. Speaker, it has now become focussed in the minds of the public because of some glaring examples of what the minister says is merely administrative policy.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): Since when is administrative policy not to be reviewed in public? What sacrosanct bureaucrat is entitled to say it is purely administrative and therefore there is nothing to it? Mr. Speaker, the minister is not honest with the people in regard to this.

Mr. Kaplan: Shame!

Mr. Lambert (Edmonton West): The hon. member for Don Valley (Mr. Kaplan) can go out to Saskatchewan or Alberta or Manitoba where the RCMP have a fuller profile than in central Canada. This year the province of Alberta was preparing to celebrate the 100th anniversary of the original force behind the Royal Canadian Mounted Police. We are now told that they are going to be just "police" for greater identification. What arrant nonsense! All I can say is that the Solicitor General (Mr. Goyer) should meet with the bureaucrat responsible for this decision and if it is a commissioner's decision then the commissioner should appear before the Committee on Justice and Legal Affairs to explain. Why is it that ordinary citizens, without any organization behind them, signed a telegram—11,500 of them—and sent copies to the Prime Minister and myself. Why is it that I have petitions from kids, and telegrams. My colleague from Vegreville (Mr.

Mazankowski) has a telegram. I am told that there are in excess of 1,500 names on it, and it comes from a town that does not count 4,000 inhabitants. Protest has arisen in New Brunswick about this matter. This is not a question involving bilingualism; it is one involving the identification of the force. When I am outside "K" Division Headquarters in Edmonton, I want to see the coat-of-arms of the RCMP without having to get out of my car and walk up to the plaque to be able to read, "Royal Canadian Mounted Police". I do not want to see just the word "Police". I want to see that it is "K" Division of the Royal Canadian Mounted Police.

• (1230)

In the town of St. Albert, where there is a detachment of either 18 or 20 Royal Canadian Mounted Police force personnel who act as municipal police and provincial police, I want, when I come to their headquarters, to see clearly the words, "Royal Canadian Mounted Police". Anybody who says that tourists or the public want to be able to identify that force with the word "Police" instead of with the initials "RCMP", is crazy, because the letters RCMP stand for one thing and one thing only, one of the best police forces in the world.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): I am not trying to butter up anybody when I say that. Why identify the force just as ordinary police, and I am not in any way degrading any local police forces. Surely, we must consider the identification of the RCMP.

Mr. Ryan: And the history of the force.

Mr. Lambert (Edmonton West): I hope the minister will reply, and not say something like "Oh, but this does not bother anybody very much." He was on radio last night and so was I. Of course, in the province of Quebec the RCMP show a low profile. Their duties do not bring them in regular contact with the people of the province. The same is true of Ontario. In these provinces there are efficient, competent and sizeable municipal and provincial police forces. This is not always so in the rest of Canada. In many communities of western Canada the RCMP carry out very efficiently the duties of municipal police. The crime rates in those areas show the results of their presence. So, on almost the one hundredth anniversary of the establishment of the RCMP, we come down to this: they are to be shown as Police and, in small letters, presumably underneath, they will be identified as RCMP or Royal Canadian Mounted Police. Soon they will be so identified at the bottom of the decals on the side of police cars. They will be shown as RCMP where the slush and mud can cover those letters. What we want to see today on the door of a police car is "RCMP" above the crest. That is what we want.

Some hon Members: Hear, hear!

Mr. Lambert (Edmonton West): Mr. Speaker, I urge the House to support the amendment moved by my colleague from Hamilton West (Mr. Alexander).

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, at the outset, may I say that congratulations are in order for the hon. member for Bruce (Mr. Whicher) and the seconder of the Address in Reply to the Speech from the Throne, the hon. member for Trois-Rivières (Mr. Lajoie). They both acquitted themselves eloquently in the best tradition of parliamentary democracy. I think we listened with enjoyment to their remarks.

In the Speech from the Throne His Excellency stated:

> Throughout, pressures for change around the world emphasized to us that the excitement and the promise of modern technological achievements become hollow and mocking to those who find in society little understanding of their hopes and little provision for their needs.

He continued:

> Economic security is one of the most effective forces with which to counter social isolation. Job opportunities must be found and income uncertainties overcome if all Canadians are to share in the richness of this land.

Together with my colleagues on this side of the House and, I am sure, the majority of members in this chamber, I am in profound agreement with those words and I want to relate my remarks to them. I do so, not only because of my personal convictions, but because I am associated with a Prime Minister (Mr. Trudeau), a government, a department and, indeed, a minister with a deep concern for those in need and those threatened by economic insecurity.

For almost two years I have worked with a minister who has demonstrated beyond question that he cares about people and has compassion for them. If he were in the chamber he would be embarrassed to hear me utter these remarks.

An hon. Member: He certainly would be.

Mr. Perrault: A great many measures which have been advanced by the minister and by this government are overwhelming evidence of the government's concern for people. The newly appointed Minister of Manpower and Immigration (Mr. Mackasey), with the full support of his colleagues, has advanced social legislation of real worth. Many members of this House have supported that legislation. Within the ambit of the Department of Labour there have been such advances as equal pay for similar work, maternity leave, severance pay, provision for individual and group notice and an end to loss of employment because of the inequities of garnishee. While he was Minister of Labour, with the support of our Prime Minister and his colleagues, he introduced proposals to revise the old Industrial Relations and Disputes investigation Act. Among its several provisions is one designed to enhance the security of Canadian workers confronted by the impact of disruptive technological change.

If the minister were not incapacitated he would be speaking here today in my stead and discussing with hon. members the subject of unemployment insurance. I am pleased to tell you that he will be back soon.

Some hon. Members: Hear, hear!

Mr. Perrault: He wants me to express to members in all parts of the House his thanks for the letters, cards and expressions of sympathy which have come from all sides of this House.

A few months ago, with the overwhelming support of the House, support which extended at times to assistance in evolving details of the legislation, the minister brought into being the new Unemployment Insurance Act.

Mr. Alexander: Oh, oh!

Mr. Perrault: At times, certain hon. members suggested changes and variations in the act. Hon. members associated with the committee, throughout the long hearings and the meetings that were held, attempted to construct what we hoped would be the finest program of unemployment insurance in the whole world.

An hon. Member: And you all failed.

Mr. Perrault: All hon. members agreed about the need for change and reform in those measures designed to provide income protection for the unemployed and those temporarily without work. Indeed, Canada and Parliament made history last year because, undoubtedly, even if one considers the difficult period of transition, the new unemployment insurance plan is the most advanced measure of its type in the whole world.

A few months ago I attended an international congress of those responsible for the administration of unemployment insurance schemes in many nations, and it was conceded that our program was the best and most comprehensive.

Mr. Ryan: Then, why is it not working?

Mr. Perrault: Here is a measure which recognizes the new social fact that job disruption can affect anyone. For this reason, unemployment insurance is now almost universal, or has been as of January 1, with 1.2 million Canadians having been added to the scheme and I think they are pleased to participate in the new unemployment insurance plan.

Eligibility requirements for benefits have been substantially modified, with the result that it is now much easier to qualify for benefits. The benefit level itself, up to $100 a week, is related to current earnings and there is provision for automatic adjustment to this benefit level in relation to a change in average earnings. Benefit duration is related not only to recent work history but also to prevailing economic conditions. A claimant assistance program has been established whose objective is to help claimants get work by providing job search information and guidance. The object, surely, Mr. Speaker, of this plan and other allied plans must be to assist the workers of Canada to return to useful employment as quickly as possible. That is why, when appropriate, claimants are directed to agencies for job placement, counselling or financial assistance.

• (1240)

Here is a measure which recognizes the fact that there are three million women in Canada's work force, with vast numbers of them providing their families with the economic margin between grinding poverty and a decent level of living, women who now have the right to pregnancy benefits when their earnings are interrupted by such natural events. Here is a measure which regards sickness on the job or off the job as an interruption of earnings, a measure which recognizes that family costs continue, regardless of the reason a breadwinner becomes ill. These and other important features of the legislation became available on June 27 last with full operation becoming effective last January 1.

I am well aware of the fact, as is the minister, that there have been criticisms of the plan and its implementation. Indeed, members from all parts of the House have demonstrated remarkable and commendable diligence on behalf of their constituent claimants. That is the job of all of us, wherever we sit in this House, to work for our constituents and make sure they are well served by the programs available to them.

Whenever a fundamental change as vast as this is introduced, inevitably a transition period, an adjustment period, occurs. Apart from the administrative challenges and the countless procedural considerations, there is the task of education. Even today, eight weeks after universality, about 80 per cent of the calls to Unemployment Insurance offices across Canada relate to matters other than claims. The majority are from people seeking information.

Having said all this, it is interesting to note, however, that while members have made known the problems of their constituents, none have asked abandonment of the plan because the unemployment insurance reforms in Canada were long overdue. We know that unemployment is critical to the individual regardless of a man's political belief or any other consideration. Parliament can be proud of its work. The task is to make the new plan work as effectively as possible.

I assure you that the criticism of Unemployment Insurance which has been voiced over recent months has not been dismissed lightly by the minister. You know him too well. You know him as one who gets things done, especially where people with problems are concerned. As a matter of fact, he is so busy at the hospital that he may have to come back to the House early in order to get a rest. No matter how few people are deprived of their legitimate benefits, and the number involved has been very small in comparison with the total, to those people, those families, it is a considerable tragedy and this government, in fact no government, can remain complacent while such need exists.

The minister has taken action. During the recent recess the minister held discussions with interested groups and Unemployment Insurance Commission officials to determine the validity of the criticism and to determine whether changes ought to be made in the processing of claims that would more effectively deal with the needs of the unemployed. The minister announced early this year that all claims filed would be reviewed to determine if in fact there was cause for special measures. While individual delays cannot be excused or avoided, it is a fact that the vast majority of all claims filed with the commission are processed within the prescribed time. Some hon. members have asked what is the "prescribed time". The suggestion is that our concept may be different from theirs.

The new act provides a two-week waiting period before payments are made. In effect, this means that when a claim is filed a person must have had a two week gap in his earnings. Since payments under the act are made in

arrears and since a claimant must declare that he was in fact unemployed and available for work for the period of his unemployment, it stands to reason that payments are not normally made until the fourth week of unemployment.

The investigation conducted by the commission identified three main areas of claim delay. First, some claimants fail to complete their application forms accurately. I believe the claim reform is now in its sixth review. We have invited the Canadian Labour Congress and other interested bodies to suggest form modifications which will make it as simple as possible for the claimant to file his application. Second, some employers fail to provide employees with their contributions records or their separation certificates. Third, a number of errors occur in the processing of the claims. That is not denied.

The commission has undertaken an extensive effort to provide claimants with detailed information in order to assist them in understanding the procedures involved and to help them complete their forms accurately. The commission has established, in addition to its regular offices, an extensive network of service centres for the purpose of giving effective service to claimants. The commission is continuing its efforts to identify problem areas and to evolve more effective means of dealing with claims.

It can be said that in recent weeks there has been a substantial improvement in claims processing. Members will recall that last week the minister announced the results of a survey he had requested of all claims filed since December 1971. The survey revealed that a majority of claims had been delayed through a lack of vital information from either the employer or the claimant. Some 5,000 claims, less than 1 per cent of the total claim load, were discovered to have been late.

I remind hon. members that 600,000 cheques are processed every two weeks. In the month of January, there was a payout of $130 million. This is a massive program. Every effort is being made to reduce delays to that irreducible minimum. In saying all this, I do not deny that the problems of the 5,000 were very real. Understandably, they were not interested in statistical analysis. They were not interested in a debate between the Minister of Manpower and Immigration and opposition critics on the subject of statistics. I think all of us are concerned about the individual and his well being.

No one denies the right of working Canadians to receive unemployment insurance benefits when their earnings are interrupted, but I want to say a brief word about another group of workers who deserve consideration. They are the workers of the Unemployment Insurance Commission who have been confronted with the heavy burdens imposed by the transition period. They have put in many hours of overtime in recent weeks or months. They are workers in their own right—workers without a right to reply in many cases to the criticism which has been directed against them. Like all of us, they make mistakes, but they are a remarkably efficient group. I think members will agree that reported cases of delay are dealt with promptly by the commission personnel.

At times they have been criticized most unfairly by the media and some members of the House.

I suppose it may be tempting for some to traffic in human misery.

Some hon. Members: Oh, oh!

Mr. Perrault: But, fortunately, most of the media and the members have resisted this temptation. Most of the members have been very cooperative. On behalf of the minister, I thank them. However, there are exceptions. Was the public interest served a while back when wide publicity—

Mr. Speaker: Order please. Is the hon. member rising on a point of order?

Mr. Gleave: Yes, Mr. Speaker. I object to the remark of people trafficking in human misery. All of us have had to do a lot of work with regard to the problem of Unemployment Insurance claims. I do not mind the parliamentary secretary defending his employees. That is probably his responsibility, but it is not right—

Mr. Speaker: Order, please. The hon. member will recognize that this is hardly a point of order. It is a matter of debate between the hon. member and the parliamentary secretary. Perhaps the hon. member might want to take part in the debate later.

• (1250)

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

Mr. Perrault: Mr. Speaker, may I say that the hon. member is in that great majority of members who have attempted to make this plan work, and I am pleased to take this opportunity of so stating; but there have been other examples where the responsibility of certain statements made both inside the House and outside can be questioned.

Mr. Alexander: Why don't you withdraw your remark?

Mr. Perrault: It may be tempting for some to criticize the plan, but I ask was the public interest served awhile back when wide publicity was accorded to a claimant who filed a claim for benefit and who complained of inexplicable delays in getting paid? It was determined that this lady had been advised within days of filing her claim that she did not have the required labour force attachment to qualify. However, the news story dealing with this case completely ignored this fact. What was even more unfair was that the article went on to describe the personal difficulties of the person, stating that she and her family were faced with unnecessary hardship as a result of commission inefficiency. I do not think that was fair.

Last Saturday a story appeared in the *Globe and Mail* to the effect that the computer had produced 300 blank cheques. First of all, this is not technically possible on the computer. It could occur on an ordinary piece of equipment that is still used for some payments, and this piece of equipment is called the "interpreter". After an exhaustive and costly search throughout last weekend, the commission identified the possibility that one such cheque could have been produced several weeks ago.

Then, the hon. member talks about unfair statements on my part. Let me give a specific example which should be brought to the attention of this House. A question was asked in this House on February 18 by the hon. member

for Oshawa-Whitby (Mr. Broadbent), who made the breathless allegation that 5,000 claims could not be processed in the commission's Montreal pay centre and had to be moved to Belleville for processing.

What are the real facts? It is a standard emergency procedure, in any pay centre and in any operation of the magnitude of the commission's, to have standby facilities in case of snow storms or other situations which could backlog the work. In fact, however, no work from the Montreal region was done at the Belleville computer centre last week or in the recent past. Yet, the member chose to make an issue of a perfectly prudent provision of administration which anyone should be happy to know is available to meet problems.

The hon. member went on national television to, in effect, tell people from coast to coast that they could not have confidence in the Unemployment Insurance Commission because of these alleged procedures. What does the hon. member want to prove? I will let him answer that question, but my advice to him is simply that if he wants to seek out so-called "informants" from within any government organization, he should at least retain reliable informants. Better still, he should check his allegations with responsible people.

Much has been said about the unemployment insurance service in Bathurst. Indeed, in recent hours there have been reports of public demonstrations there. The Bathurst office is served by a staff of 17 in recognition of the varied problems which can arise in a community of 15,000 people. The claim load in the Bathurst office is in the area of 10,000. Last week, 172 cases of alleged delay in payment were presented at the Bathurst office. To begin with, 32 of these cases were duplicates. Of the net total of 138, 22 cases involved some form of delay. Among the 22, those entitled to payment have been paid. Twenty-two out of 10,000! Not good enough, but pretty good.

Perhaps the best answer to those critics of the service in Bathurst is to be found in a report from the Moncton *Times* dated February 23. In part it reads as follows. The headline is "Claims Reports Blown Up—Labour Federation".

> The New Brunswick Federation of Labour says the claims crisis at the Bathurst Unemployment Insurance Commission has been blown out of all proportion.
>
> Greg Murphy, the federation's secretary-treasurer, said Tuesday that the Canadian Labour Congress in Ottawa had learned that there were not nearly as many claims outstanding as had been reported by protesters.
>
> Mr. Murphy was commenting on a statement released by federation president Paul LePage which said that information received from meetings in Ottawa "conflicts" with reports they had received from the regional development organization known as CRAN.
>
> The Secretary-treasurer said officers of CRAN had contacted the NBFL complaining about the claims situation and looking for financial aid to support continuing demonstrations at the Bathurst UIC office.
>
> He said the federation refused the financial aid, but decided to have the Canadian Labour Congress in Ottawa investigate.

Mr. Speaker, some members opposite say that they are allies of the Canadian Labour Congress. There may have been a communications problem in parts of the UIC, but there is certainly one between the CLC and certain hon. members opposite. The article continued:

> They found, he said, "that there weren't nearly as many claims as CRAN said there were."
>
> "This thing has been built into a bigger thing than it actually is."
>
> Nevertheless, he said, the CLC in co-operation with the NBFL has appointed Bill Craig, a steelworker representative in Saint John to act as a special CLC representative in the Bathurst region.
>
> "All legitimate claims will be channeled through Mr. Craig," he said. The CLC representative would then meet with UIC officials to do what he can to straighten out the matter.
>
> Mr. Murphy said the CLC representative would act on behalf on any person, whether labour oriented or not.

That is a constructive approach on the part of the CLC. In marked contrast to the half-truths and rumours and other kinds of tawdry and tattered reports which have been hauled into this House by certain members, the CLC, Mr. Speaker, acted with a sense of responsibility.

Today another report was brought breathlessly into this House by one of the hon. members opposite. He declared that in excess of 200 claims in New Brunswick were being delayed beyond the number of days mentioned by me earlier this day during the question period. Let me tell the hon. member that if he would get on the telephone he would determine that all these claims have now been fixed up. So, let us check our facts first, whether we are on the government or on the opposition side, before levelling criticisms against this great plan.

I repeat that when a man is unemployed it is dangerous and immoral to traffic in his human misery. And one does traffic in human misery by failing to check ones facts.

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

Mr. Perrault: If the object of the Bathurst demonstrators was to draw to the attention of the UIC and the government certain problems that were confronting one segment of the population, then they have made their point. The service at Bathurst has been measurably improved, and I would be pleased to enumerate these improvements for hon. members.

One can well understand the sense of frustration at high unemployment levels. Indeed, efforts are underway at both federal and other levels of government to increase employment and to stimulate industrial development. If I were unemployed and were living in New Brunswick, I, too, might participate in jobless parades. Indeed, I suggest any hon. member might. But I say that in choosing the Unemployment Insurance Commission as their target, I believe that as of today these Bathurst demonstrators are misguided. Their point has been made. Further demonstrations—

Mr. Speaker: Order, please.

Mr. Perrault: May I call it one o'clock?

Mr. Speaker: I regret to have to interrupt the hon. member, but it being one o'clock I do now leave the chair until two p.m.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Perrault: Mr. Speaker, as I said earlier in the debate, one can understand the sense of frustration in Bathurst arising from high unemployment. Efforts are proceeding at the federal level and at other levels of government to increase employment and to stimulate industrial development. But the point has been made. Further demonstrations are self-defeating. Indeed, such demonstrations do a positive disservice to those who have a right to unemployment insurance benefits. The disruption of procedural routine in the UI office in Bathurst can only mean hardship for those who are out of work.

In recent days a number of demands have been made that the question of unemployment insurance be brought before the appropriate standing committee of the House of Commons. I would remind hon. members of the words of the minister on February 15, when he said:

> I am well aware that delays which did occur in December and January and which we have now corrected have been of considerable concern to Members of Parliament. As soon as parliament reconvenes I would welcome an invitation from the chairman of the House committee on Labour, Manpower and Immigration to take the initiative to have the situation reviewed by his committee. It may be that a great deal of the concern which has surrounded the situation stems from an incomplete understanding of what the claiming of unemployment insurance entails. Purely as a suggestion, therefore, I believe it would be most important that the committee should take the time to visit and study the operations of the Commission within its offices. We shall spare no effort to make sure that Members of Parliament have every opportunity to examine the operation of the claims process and to make any recommendations they see fit.

The minister has asked me to reiterate his desire to have this matter brought before the appropriate standing committee, not in order that there may be a partisan political debate but in order to determine how we can make the world's best unemployment insurance program work at its most satisfactory level of efficiency.

As hon. members know, before this matter can be considered by a standing committee the House must debate the question and must refer the matter to Committee. However, I am encouraged to learn that the standing committee will be meeting next week. Hopefully, early committee meetings will be held to discuss the question of unemployment insurance. The matter under discussion next week is, I believe, the committee's organization and procedure. Hopefully, meetings to discuss unemployment insurance will take place after the House has taken appropriate procedural action.

• (1410)

In recent days the suggestion has gone forth that there should be more offices established, more telephone lines, more staff and more computers. Let me give you some figures. Prior to implementation of the new act there were 65 full time offices and 67 localities where services were provided on a part-time basis of one to three days per week. There are now 119 full-time offices and 85 localities where service is provided on an itinerant basis of one to three days per week. Furthermore, the Minister of Manpower and Immigration (Mr. Mackasey) has made quite clear that the close to 400 offices of his department will assist in every way possible in dispensing co-ordinated services with the Unemployment Insurance Commission. This process of integration is well advanced. Today, in at least 43 localities across Canada UIC offices are located in the same buildings as Canada Manpower Centres. While the UIC works with Members of Parliament, unions, companies, welfare groups and other organizations, the doors, the telephones and the mails of the UIC are open to all and the capacity to meet the public by all these means has been multiplied many times in the past few years.

Unlike other organizations, including most welfare agencies, which operate only on a scheduled interview basis, the UIC meets people and answers their inquiries as they come. There are approximately 1500 employees alone whose task is to answer inquiries. Last year 8 million inquiries were handled. This year, the annual rate will be about 12 million. Special attention is not accorded to Members of Parliament or the unions or the social agencies—

An hon. Member: What about the special phones.

Mr. Perrault: —but to the claimants because these officers are appointed to serve people regardless of political stripe. In fact many MPs and many elected members at other levels have gone out of their way to seek out problems and it is their right to do so as representatives of the people. In this regard, the minister wants to thank the many Members of Parliament of all parties who have written to him and to the UIC thanking them for their help. The commission, as an agency dealing directly with a large public, deals with more than 6 million employees, more than 400,000 employers and more than 1.5 million individual claimants in a year. The commission has always tried to co-operate with the people's representatives as a matter of policy and service.

In summary, lest we all become confused by the great welter of statistics which has been showered down on us in recent months, I should like to outline to hon. members just what would happen to, say 100 claims filed with the Unemployment Insurance Commission today. First of all, all 100 would receive a notification of the status of their claim within two weeks. Eighty-eight would be told that their claim is in order and they would receive a cheque within a week or 10 days. Ten would be notified that payment of their claim would be postponed or disallowed for any number of reasons including participation in a labour dispute, vacation pay, severance pay, non-availability, voluntary quits, and so on. Two of these 100 would be told their claim cannot be processed for payment unless missing information is supplied or explanations are provided as to discrepancies in information supplied by claimants and their employers.

In any event, the Unemployment Insurance Commission paid out $102 million last December as compared with $60 million in December 1970, and $130 million this January as compared to $85 million last January. In both months the rate of unemployment was more this year than last. This would indicate to me that not only is someone getting paid but that the welfare savings in respect of unemployed unemployables must be substantial, totally apart from the job-creating impact of these dollars.

The Acting Speaker (Mr. Laniel): Order, please. I regret to have to interrupt the hon. parliamentary secretary but the time allotted to him has expired, unless he has the unanimous consent of the House to continue. Does the House give its consent?

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): Five minutes.

Mr. Perrault: Mr. Speaker, I want to thank the members of the House for their courtesy. As I was saying, this "payout" indicates to me that not only is someone getting paid but that the welfare savings in respect of the unemployed must be substantial, totally apart from the job-creating impact this kind of money means for the economy. It is estimated, for example, that in the year 1972 welfare services across Canada will be saved $80 million as a result of this new Unemployment Insurance plan with its lower eligibility. It is no wonder that the Toronto welfare administration stated the other day that substantial savings are being realized in the greater Toronto area as a result of the new Unemployment Insurance plan.

Whenever particular cases are brought to our attention or to the attention of the commission they are investigated immediately and corrective action is taken if necessary. But again let me emphasize that in most cases many delays have been found to be outside the control of the commission staff itself.

There has been a great deal of misguided criticism of the computer system which the commission has been using for the past three years. It is hoped that further sophisticated computer technology will assist the commission to provide even more efficient computer service across this country. It is always easy to try to find a single cause of blame such as the computer. The fact is that the introduction of the computer has enabled the commission to introduce procedures which speed up the processing of claims and avoid inconveniences and difficulties for the vast majority of people. I am sure no one would want to return to the humiliating days when people had to line up every week at the unemployment insurance office in order to collect their benefits.

It must be made abundantly clear that unemployment insurance is not welfare. It is an entitlement and the claimant must prove his entitlement by meeting all the conditions of the law and by providing all the information required to make a proper decision. There will always be conditions which postpone the payment of benefits because these conditions have not been met. People must be available, capable and searching for work and they must not be the cause of their own unemployment. The law is very clear on these points and postponement of benefits due to these reasons should not be viewed as delays.

Again, it should be said that the minister has indicated that he wants these and other matters to be discussed before the committee when the committee chooses to invite him to one of its meetings. I am convinced that a great deal of concern which has surrounded this situation results from an incomplete understanding of what the payment of unemployment insurance benefits is all about. I would suggest it would be useful for the committee to take the time to visit and study the operation of the Unemployment Insurance Commission within its offices.

We are aware of the fact as well that there is some difficulty in respect of vacation pay, holiday pay and associated matters. These questions are now under detailed review by the minister and by the department.

[The Acting Speaker (Mr. Laniel).]

Meetings have been held with representatives of the trade unions and submissions have been received from these and other groups in respect of these aspects. Hopefully the questions of holiday pay and severence pay may be clarified in the near future.

There is clear evidence that the publicity given by the media in recent weeks is having some beneficial impact because we are finding that claimants and employers are being more careful in submitting the proper information whenever a claim is filed. I suggest that once the public at large has become more familiar with the requirements of the program fewer delays will occur. I invite any member of the House to bring to our attention any case in which they feel there has been undue delay and I undertake to ensure that every situation will be looked into promptly. As I said at the beginning of my remarks, the Canadian Unemployment Insurance program, in our view, is one of the best in the world and I am confident that most of the major questions in the program will have been resolved in the very near future.

Let us all endeavour, without partisan disputation to make certain that this program works as effectively as possible. This is in the interest of all Canadians because unemployment does not exempt anyone because of his politics, religion or ethnic background. It is a personal disaster for that person. He must be provided with income support during that time when he is without funds and we must make sure that this plan works. The hon. members on both sides who have been very helpful in an effort to make unemployment insurance work better have the thanks of the department, the government the minister and, undoubtedly, the Canadian people.

Mr. W. M. Howe (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, it is with a certain amount of nostalgia that I rise to speak in this Throne Speech debate on February 25, 1972 since, as a great many of you know, I have more or less burned my bridges behind me. A new, young, bright candidate who is to run under the banner of the Conservative party in my riding has been nominated. So I say with a feeling of nostalgia that this may be the last Throne Speech debate in which I will have a chance to participate.

• (1420)

While I am on that matter, I would like to say that I appreciate the camaraderie which has existed in this chamber throughout the years. The friendships, the associations and the goodwill have always been part of the feeling that I have had for this chamber and this has been accentuated by my associations with my colleagues on both sides of the House.

When I say "Thank you" I would like to say that I bear the same feeling toward all those who have occupied the Chair in which you are sitting today, Mr. Speaker, all the members of the staff who sit at the table and all the people who have made this organization work from day to day. It has been a tremendous experience for me. My days are numbered by what we call destiny or by the Lord, but my days in the House of Commons are numbered by the Prime Minister (Mr. Trudeau) of Canada. It is as simple as that.

Some hon. Members: Hear, hear!

Mr. Howe: On the occasion of the nomination meeting in my riding I was much impressed by the fact that seven outstanding Canadians presented their names for the opportunity to represent our party in that part of the world. It was also gratifying to note the tremendous interest that was created at that meeting. We had the biggest meeting that I have ever seen, probably because I was leaving and getting out of the picture. At any rate, over 900 people attended that meeting in my own village that night. It gave me a tremendous feeling of satisfaction that through the interest that was created at that meeting I was assured that the young individual who had been chosen that night was going to come to the House and sit on the same side of the House as the Conservative party. I feel that the reason the interest was created was probably that the people are beginning to realize that our leader, the Hon. Robert Stanfield, is an honest, sincere man and a great organizer who will be given the opportunity to lead this country after the next election campaign.

Some hon. Members: Hear, hear!

Mr. Howe: Having said that, I would like to join all those who, as is customary in the Speech from the Throne debate, have congratulated the mover and seconder who brought honour to themselves and to their particular areas by being chosen for this duty. Probably the one whom I know best is the hon. member for Bruce (Mr. Whicher), and I would like to say a word about the things he said in the House that day. As I remember the comments that were made about him when he was a member of the Ontario legislature, he was at that time considered to be one of the most quiet and sedate people. He spent a great deal of time criticizing the government of Ontario. I have watched him in the House and I have noticed that it is a little hard for him to sit quietly on the government benches when he feels that things are being done with which he does not entirely agree. However, the peons of praise that he heaped on the Trudeau government would appear to have all the earmarks of the preacher preaching for a call. Someone started the rumour that he may be slated for the Senate one of these days. No doubt he is one of those members who make cabinet ministers wince at caucus meetings, so probably they will be glad to get him out of the chamber and into the Senate where he might be a little quieter.

Having spent a great deal of time in my riding, which adjoins that of the hon. member for Bruce, I have the suspicion that the great flood of oratory he released upon this chamber was engendered by the criticism of the government which was heaped upon his head during the Christmas recess. If he took the course which I did of speaking to individuals and groups, he must have found it appalling that a government which had just three and a half years ago risen to such peaks of national popularity by the use of such catch phrases and charisma as the just society and participatory democracy should have engendered the oft repeated phrase which I heard during the recess, namely that Trudeau must go. I was flooded with this during the recess. One wonders how this could have happened in such a short time. Probably the Chamber of Commerce summed it up best in their brief to the government on January 31 of this year when they said the following:

> As a matter of fact, Mr. Prime Minister, during the year 1971 the chamber had over 125 substantive contacts with you, members of your cabinet and their officials, and Senate and House of Commons committees, including representations on most of the major legislative issues facing parliament last year. Despite this, I think it would be fair to say that, at the present time, there is a certain feeling of confusion and frustration on the business side with respect to business-government relations. There is a feeling among businessmen that even if they are being listened to, their views are not being understood by some government policy makers. There is a feeling that they are not getting through to those in government responsible for decision-making. There is a feeling of impatience among businessmen that their attempts to develop strong, growing enterprises are not appreciated, or sympathized with, by some responsible government representatives.

This brief was presented on January 31 of this year. Just the other day someone asked the Prime Minister in the House what the government had done to allay the confusion among the business world which started last fall. We all remember the group of businessmen who came to Ottawa in late November or early December, about the time we were discussing the tax bill. We all remember, too, how they went away shaking their heads because they were not any more knowledgeable about the tax bill when they went away than when they had come. They were disturbed and confused by the number of regulations and controls that had been presented to them. As I said, the other day the Prime Minister said that all these problems were solved by the budget in October and by the fact that the government had stabilized the dollar. He said that there is no more confusion in the business world, that it had all been straightened out. This is not true because this brief was presented on January 31 and the budget was brought down in October.

I should like to make one final quotation from this brief which substantiates what I have been saying. It refers to the tax reform and reads:

> We would like to stress that, in the final result, the actual process involved in the development of the tax reform legislation created a very high degree of uncertainty and confusion among persons who must make decisions having a direct bearing on the forward thrust of the Canadian economy.

The words "confusion" and "uncertainty" are reiterated time and time again. This feeling does not only occur among businessmen. It also occurs throughout every segment of our economy. The fact is that this confusion and frustration were not only felt by the members of the business community but by the thousands of unemployed, thousands of old age citizens who find their life savings melting away under the onslaughts of our uncontrolled inflation, and by the small businessmen and farmers who could not comprehend the complexity of the capital gains tax and its effect on their personal holdings.

Is there any wonder, when one looks at this mess, that the chorus was unanimous from all quarters in my own riding that Trudeau must go? It is easily seen that the government appreciates that its stock has dropped to a very low ebb. Today one hon. member put a question to the minister in charge of Information Canada. He asked why the department was spending an extra $52 million, or some such figure, on government information services. We know that the government is disturbed about what people are thinking because everyone is being flooded with these pamphlets, such as this one entitled "Highlights for Individuals—Tax Reform and You", and "Rental

Income and Undeveloped Land—Tax Reform and You", and "Goodwill and Similar Assets—Tax Reform and You", and "Valuation Day—Tax Reform and You". And so it goes, Mr. Speaker. Floods of information and material come out of government offices trying to explain to the people of Canada what all this legislation means to them. But they cannot understand it; they do not know what to do and so are confused and disturbed. They feel that we must have a change.

• (1430)

The Parliamentary Secretary to the Minister of Manpower and Immigration spoke about the situation at Bathurst, and other members have talked about the confusion at unemployment insurance offices. I have here a letter that just came yesterday from a man who has not worked since November 23. When I wrote to the minister about this on January 26 the man had not received a cent of unemployment insurance. It is interesting to note that, according to the letter from the minister's office, all of a sudden on January 24 a computer payment of $486 was made and the next day a manual payment of $437 was made.

Where is this great organization, this great unemployment insurance program that the parliamentary secretary claims is the greatest in the world? When I hear the hon. member for Bruce and the parliamentary secretary talk about programs like the unemployment insurance, the veterans' affairs and the old age pension being the greatest in the world, I wonder what the man in the moon is thinking. We will be up there one of these days. Will they be the greatest program up there, too, or on Mars? I have sat in this House for a number of years, Mr. Speaker, and I know the problems that exist from province to province and region to region. You cannot take the programs that work in other countries and expect them to work here. They talk about our programs being the best in the world but a lot of people, particularly the unemployed under 24 years of age trying to find work with no hope for the future, are not so sure that they are the best.

The *Globe and Mail* which carried the headline about Bathurst has another headline "35 per cent out of work in building unions—highest rate ever". I was a member of the government that inherited the tremendous unemployment problem in 1957-58. It was not created by the Conservative government but was inherited from an overbearing government that had sat for over 22 years. What did the Conservatives do about it? They brought in the winter works program. Last year in this House it was suggested that in view of the unemployment situation the Prime Minister should initiate a winter works program, but we were told that this was an outmoded approach and would not be used. Then, all of a sudden the Prime Minister saw the light. When he realized that the problem would not just go away, there was a crash program for employment and help to municipalities which was the same as the old winter works program. But the Conservative program had put a lot of carpenters, electricians and service people to work during the winter who had previously been drawing unemployment benefits. They were given jobs to help householders fix their premises. The slogan was "Why wait for Spring—Do it now" and it was successful.

[Mr. Howe.]

Last fall an organization of people engaged in construction presented a brief to the government pointing out that the cost of a house had increased by approximately $1,000 in the last year and suggesting that removal of the 11 per cent sales tax on building materials would help reduce that increase. Nothing was done about that.

There has been a lot of talk about providing housing for people on middle and low incomes. Even if some of these people could manage to buy a home, they could never manage to get it paid off. Surely, the insurance companies and banks, even the Bank of Canada, could sit down together and find a way of reducing interest rates so that the average individual could afford to buy a house. With interest rates of 9 per cent or, 10 per cent and 15 per cent or 20 per cent on second mortgages, it is pretty difficult for the average individual to manage, even if he can get the down payment together. It means that he will carry a load for the rest of his life. There was nothing in the Speech from the Throne about help in these two areas.

Mr. Speaker, when I first participated, in a Speech from the Throne debate on December 1, 1953, I spoke about the importance of decentralizing industry. In the area I represent there are small communities which have been crying out for industry and assistance from governments for many years. They would like to get a little factory or something to provide employment for young people graduating from high school so that they would not have to leave the area. I have been calling for this for years and on December 1, 1953, I used the following quotation, which appeared at page 530 of the *Hansard* of that date:

> We have heard it said, and we presume that it was meant seriously, that it was the desire of our great leaders to decentralize industry and to build up the smaller communities where the labour situation is easier and the living costs are less.

After the end of World War II, we lived under the threat of atomic warfare but today I think we have a greater challenge, that of pollution and destruction of our natural environment due to the urban sprawl which is causing so many problems. When the hon. member for Trinity (Mr. Hellyer) was in charge of housing he talked about satellite cities as did his successor. One of the reasons I have been so interested in the location of the international airport to be built some place north of Toronto is that I know it to be a slow growth area. Many communities there have lost population over the last 25 years. In a township in my riding there are 67,000 acres and only about 50 active farmers, so it could accommodate the airport. It would create incentive for all the little towns and communities and enable them to grow. I think this is a matter worthy of serious consideration and that is why I presented a motion in the House recently.

• (1440)

I sometimes feel that big decisions involving 50,000 or 100,000 people should not be left to the bureaucrats in the deputy minister's office to make but should be made by all members of the House. I think a committee of this House should look at the sites in question, then sit down with the people of the area to discuss the matter. That way the best interests of the people concerned and the best interests of the country will be maintained. It is the best way to consider the site of an international airport such as the one to which I am referring.

I know some will say that if the committee looks at any particular site or parcel of land, some people may assume that the government intends to establish the airport at that site, buy up land in the area and drive up land prices. Nevertheless, there are federal and provincial organizations that can take care of this sort of thing. Of course, if four different sites are looked at, for example, the committee could make its report or recommendation in camera, and that report can be forwarded to the officials of the department. I think that is the way a decision as vital as this ought to be taken. That is why, when I saw an item in the Toronto *Star* last Monday indicating that Pickering had been chosen as the site for the new international airport, I was disturbed. I knew interest had been displayed in the site. However, on calling the minister's office, I learned that no decision had been made.

Another reason for establishing a committee to look into this matter is that such a committee would stop speculation. As I suggested, the longer this process goes on the greater the number of areas of the province will be considered. People will start buying little bits of land here and there in the hope of making tremendous profits in case any particular piece of land is chosen for the airport.

I have always been interested in seeing that railroads that serve my particular area are maintained. However, four years ago the Canadian Transport Commission autocratically decided to remove all passenger service in my region north and west of Guelph and west of Stratford. This has been a slow growth area, and rail service is important to it. By removing the service, the possibility of growth and increase in the area is removed. When people want to establish a factory in any area, they first ask, "What kind of transportation is there in the area?" I raised this matter in the committee last year. I was sorry that the Air Canada strike made it impossible for the Committee on Transport and Communications to go to western Ontario and look at the situation first hand, because I do not think the decision to remove that train service was a valid one.

The regulations under the National Transportation Act provide that before any passenger train service can be removed there must be evidence of good alternative service. At the meeting in Owen Sound it was thought that the assurance there would be alternative service had been given. However, the bus service is inadequate. The service that is provided for most of the area is inadequate and inefficient, and has not improved transportation facilities in that part of western Ontario. I am concerned especially about elderly people who cannot drive their cars and who must use existing services. There may be a good bus service on the eastern side of the area; I concede that. However, an equal service has not been developed on the western side of this particular area. I feel that the committee in question should be set up as soon as possible to look into this whole matter. If possible, arrangements should be made for it to go to the area to hear the tremendous number of briefs which many people have prepared. So far, these briefs have not been used.

The committee could not make its trip to western Ontario because of the air strike. So, Mr. Speaker, I hope that this committee will meet soon and will consider the motion that was passed in the previous session of parliament. I think that a similar motion will be accepted by the House in the present session, and the committee will be able to go to western Ontario and look at the transport problems of the area. I am referring to the problem relating to passenger transportation. I hope the committee can assure the people of the area that adequate transportation facilities will be set up.

Finally, Mr. Speaker, as I said at the beginning of my remarks, it has been a pleasure to represent my constituents in the House of Commons. I feel, as I have tried to indicate, that given the situation that has developed in Canada and the trends which are being shown not only in my riding but right across the nation, after the next election the member who will come down in my place, as well as those who are sitting with me on this side of House, will be sitting on the government side, and the Leader of the Opposition (Mr. Stanfield) will be prime minister of Canada.

Mr. Knowles (Winnipeg North Centre): But not "and Howe"!

[*Translation*]

Mr. Oza Tétrault (Villeneuve): Mr. Speaker, in the first place I must congratulate the mover and seconder of the Address in reply to the Speech from the Throne. The hon. members from Bruce and Trois-Rivières (Mr. Wicher and Mr. Lajoie) performed their task well, in view of the difficulty of commending the government while remaining realistic.

In his speech of February 18 last, the right hon. Prime Minister of Canada (Mr. Trudeau) who most evidently sought to defend his government under general attack, attempted to convince us that all is as well as can be in Canada. For instance, he resorted to statistics to show that Canada had created more jobs than seven countries of Europe together, namely France, Germany, Belgium, Italy, the Netherlands, Sweden and Great Britain.

Mr. Speaker, it is quite easy to create jobs when hundreds of thousands of workers are unemployed, but when countries enjoy a low unemployment rate and have a shortage of labour, how can industry, or even governments, create jobs?

Mr. Speaker, we did hear the government state that they had found a solution to unemployment through development of new projects such as Opportunities for Youth, the Local Initiatives Program, and Regional Economic Expansion, which can be called the second election fund of the Liberal party, but all these dishonest plans will have cost Canadian taxpayers millions of dollars in order to convince them that an attempt is being made to find solutions to their problems.

• (1450)

Mr. Pepin: You rejected them.

Mr. Tétrault: I would ask the minister to repeat what he said as I did not understand.

Mr. Pepin: I was asking the hon. member whether those projects were rejected in his constituency, whether he recommended that his constituents refuse to participate in the Opportunities for Youth, Local Initiatives and

Regional Development programs for the reason he has just given, that these programs were dishonest.

Mr. Tétrault: Mr. Speaker, to reply to the minister, when you can't have what you want, you take what is available.

Mr. Pepin: Even if it is dishonest?

Mr. Tétrault: That is just what the Liberal party is doing now. That is not what people want. They want something else, not the loans now being granted. Canadians will have to pay interest on the debts resulting from all those projects. We will never live long enough in Canada to pay off all those debts, or even the interest on them. That is the reason for my objections to those programs.

According to the National Institute Economic Review, published in March 1971, Canada is the greatest champion of unemployment, as compared with the above-mentioned countries. Western Germany, which was devastated by the World War II, has the lowest unemployment rate—0.7 per cent—whereas Canada's is 5.9 per cent, counting only registered claimants, and perhaps 7 to 8 per cent counting all unemployed persons.

What were the results of the promises made by the Liberal Party in 1968 for a just society?

We can therefore infer that unemployment exists not only among young people, although it is higher for them. Unemployment is increasing among workers of all ages and of both sexes.

A publication by Statistics Canada, dated September 1971 and titled "Unemployment Data" shows interesting figures on unemployment, besides indicating that since the Liberal Party came into power in 1968, unemployment has kept rising steadily in all sectors of the population. I quote:

BOTH SEXES	1965	1970
Age 14-19	65,000	117,000
Age 20-24	44,000	107,000
Age 25-44	93,000	157,000
Age 45-64	70,000	106,000
MEN		
Age 14-19	43,000	74,000
Age 20-24	33,000	80,000
Age 25-44	78,000	125,000
Age 45-64	61,000	87,000
WOMEN		
Age 14-19	22,000	42,000
Age 20-24	11,000	27,000
Age 25-44	15,000	32,000
Age 45-64	8,000	19,000

Mr. Speaker, the Prime Minister tries very hard, the ministers distribute gifts right and left to create thousands of useless and non-productive jobs; still, unemployment keeps going up in Canada. Amongst the young of 14 to 24, as well as amongst the workers of 25 or more, the rate of unemployment has grown increasingly in Canada since 1968, when the Liberal government came to power.

Mr. Speaker, recently I received a card—which my colleagues doubtless received as well—sent by *Le Cheminot canadien* and asking that pressures be made upon the government to obtain full employment. Here is what the card said:

An act on full employment guaranteeing all Canadians who are able and willing to work a job suited to their competence and skills and paying a decent wage.

Mr. Speaker, as my leader said recently, instead of calling for guaranteed full employment for all Canadians, that card should have called for a guaranteed salary for each and every Canadian, which is what Social Credit advocates.

Mr. Speaker, the Liberals seem to find that funny; however, we shall certainly have to change our system. There is talk of providing full employment, but if there is no work now, it is because we have too many products in Canada. Even if Canada has 600,000 jobless, production is abundant. Stores are full of goods. In Ottawa or Hull, in my own region, Lac Saint-Jean, everywhere, stores are filled to capacity, and they say: We must provide jobs. How can this be achieved when there is a surplus of products? There is the problem. That is why the Créditistes are calling for a guaranteed income for everybody. We must increase the purchasing power, so that people may purchase already existing products. Then, manufacturers will increase their production and everybody will be happy. This is what this government must consider.

Mr. Pepin: The situation is quite the opposite. Inventories are lower than ever and this is why imports have increased.

The Acting Speaker (Mr. Boulanger): Order, please. The hon. member has the floor and should not be interrupted.

Mr. Tétrault: Mr. Speaker, the hon. minister will probably have a chance to explain himself later on.

I went to my constituency of Chibougamau where 450 miners have been on strike since December 18, 1971. I met a sizeable group of strikers and they asked me if the provincial and federal governments could not help them. I have done my utmost to get something for those strikers, but to no avail. They are getting $20 a week plus $2 per child to live in Chibougamau. Thus a family of five is getting $30 a week. Of course neither the provincial nor the federal government is to blame for those people being on strike. However, if a dog is not allowed to starve neither should we allow our citizens to starve. Yesterday I received a petition asking me to do something. Those people are in a bad spot. My leader, the hon. member for Témiscamingue (Mr. Caouette), stated in one of his speeches that Canada should ban all strikes and that they should be settled by a council comprising union representatives, government officials and company executives.

This morning, I was listening to one of my colleagues who quoted the following statement by Mr. George Meany:

• (1500)

Strikes today just don't make sense.

That is a man who controls 16 million workers in the AFL-CIO.

Mr. Speaker, it is something quite new for a labour leader to make such a statement. However, I find it very logical, because in the province of Quebec itself, that is in Montreal, a traffic problem exists. People's lives are in danger, just because a strike has not been settled.

Mr. Speaker, the Throne Speech dealt with our international relations. I wonder what purpose such relations have served, if not to give rise to a large number of interest-free loans, not to say gifts to some countries. Yet, our country should, through the Bank of Canada, grant some credit based on national values and the initiatives of Canadians. My colleagues and I have often said this but, apparently, the hon. members opposite do not want to hear!

On October 21, 1971, an opposition day allotted to my party, my colleague the hon. member for Roberval (Mr. Gauthier) moved a motion, that I myself seconded, for the payment of the old age security pension at age 60, as well as to the wife of a retired person, whatever her age.

I stated on that occasion that in my riding I had come across many cases where married older citizens received only $135 a month because their wives did not have the age required to get a pension. This situation continues to be a daily occurrence. As recently as yesterday I received a letter about a similar case. What can you tell those poor people except that their situation is due to a government without understanding or concern. It is not an act of charity for the government to give our older people a reasonnable pension.

Mr. Speaker, what I am saying might sound rather pessimistic but, realistic as I am, I can only see this situation as being very gloomy.

This is where the Trudeaumania that prevailed in the 1968 election has brought us but this swollen prestige will surely be deflated in the next election. I am very cheerful when I think that for the first time in 100 years we will no longer have puppets to head Canada's government.

Mr. Speaker, I spoke a while ago about our national debt. I have here a newspaper clipping giving rather interesting figures on the subject of our debt. This article goes back to 1970.

Canada after 100 years of confederation had a public debt of over $38 billion in October 1970—

Incidentally, Mr. Speaker, there are not many people who know how long it would take to count a billion in one dollar bills. A person could start at the age of 18 and would still be counting at the age of 75. Here is the rest of it.

Mr. Pepin: Why do that?

Mr. Tétrault:

—while the debt of the province of Quebec alone, including municipal, school and hospital debts, was then over $10 billion. In view of public debts so considerable one can wonder how long the citizens will be able to take it.

Mr. Speaker, it gave me great pleasure to say a few words and I hope hon. members will take those remarks in consideration.

• (1510)

Mr. Alexandre Cyr (Gaspé): Mr. Speaker, I join with my colleagues to congratulate the mover and the seconder of the Address in reply. They are a credit to the House, to their ridings and to their party.

I intend today to give an account of the measures taken by the government, since 1965, to do away with regional disparity in Canada.

When the expenditures of the Department of Regional Economic Expansion were under consideration on March 29, 1971, the minister (Mr. Jean Marchand) stated, and I quote:

When the department was established, I admitted that it would face considerable difficulties. A complete re-organization of what had been the basis of the Canadian economy for a century was required. I figured at the time that fifteen years would be required to effect such changes and to give them a solid foundation. We have, for a long time, been aware of the considerable unequality which exists between the people of the various regions of the country.

However to do away with that and to establish sound conditions which would ensure the progress of the whole of the Canadian people is not a task that can be done quickly. To say that one or two years are enough would not serve the interest of the Canadian people. To attain our objectives, we must consider our long-term economic potential and envisage social changes in a long-range perspective. Considering, however, the extent of the task, it is of the utmost importance that we act as rapidly as possible and in the most realistic manner possible. As a matter of fact, it is only in this way that we can ensure the development of our country and, in truth, its survival.

Mr. Speaker, I have quoted this statement in order to inform the House of the objectives of the Minister of Regional Economic Expansion.

I am not trying to overstate the economic progress made in the Gaspé riding, and I urge the government to pursue its efforts.

I want to assure Canadians from prosperous areas that funds allocated by the government to regional development of the Gaspé peninsula and eastern Quebec have had good results, and I can show that there has been a real start upward in the area which I represent in this House.

In spite of a certain slowdown in the North American economy, the economic development of the Gaspé peninsula has progressed considerably, If the economic situation had continued in Canada after centennial year things would have been very different in eastern Quebec, particularly in connection with implementation of regional development programs. Even so, the unemployment rate is no higher in 1972 than it was back in 1963 when the Progressive Conservatives were in power.

The Gaspé area is recovering from a long illness, and the remedies provided by legislation concerning economic incentives, and especially by the new Department of Regional Economic Expansion, have contributed a great deal to its development.

The reforms proposed in order to reduce administrative costs at all levels of government have been accepted, and the population now recognizes the value of grouping services in centres and subcentres defined on the basis of economic or geographical considerations.

In the Gaspé Peninsula, and more specifically in my riding, six hamlets were closed down and most of the 225 families involved as well as the 220 households which were relocated as a result of the expropriations for Forillon park were moved to the designated service centres. The contribution of the government of Canada toward the purchase of the lands, the relocation grants and the housing subsidies to the families that lived in the hamlets and Forillon park now amount to over $10 million.

In conjunction with the development of the service centres, two hospitals were built thanks to a federal contribu-

tion of $1.5 million, and three composite high schools, thanks to another federal contribution of $2,138,000. Grants totalling $1.5 million were made for the construction of low rental housing units in the designated centres to enable the relocalization of those same people. Millions of dollars in grants also went toward the construction of water and sewage systems in the designated centres.

The Department of Public Works and FRED also granted over $8 million for the construction of fishing wharves and harbours.

With regard to the construction of the Gaspé airport, which cost $878,000, the government has just granted the town of Gaspé a subsidy of $210,000 for the construction of an air terminal, this through the winter works program of the Department of Transport. With regard to the highway system, since 1964 Ottawa has granted a subsidy of $13 million for repairs to Highway 6 located partly in the riding of Gaspé and partly in that of Matane. In addition, a $2 million subsidy was earmarked for building access roads to natural resources, which resulted in 1969 in the setting up of a new mining industry near Sainte-Anne-des Monts, by the McIntyre mining interests which invested $14 million in that new plant. That new plant now provides employment for 200 workers with a total annual salary of $1.6 million.

The production of Mines Madeleine Limitée during the first year of operation was about 20 million pounds of copper and 200,000 ounces of silver. Refined metal at this new plant accounts for a yearly gross value of $11.7 million. The Mines Madeleine Limitée contributed greatly to the economic and social recovery of the northern part of the Gaspé peninsula and I advise the directors of the McIntyre Mines Group to keep on with their prospection, in order to find other resources in the Gaspé subsoil.

With the help of subsidies from the Department of Regional Economic Expansion and the collaboration from the province of Quebec, Noranda Mines Limited undertook last year improvements of $110 million in its Gaspé Copper Mines Plants. It is estimated that the number of new permanent jobs that will be created in Murdochville, once the program is implemented, will increase by 280. The work should be completed by the end of 1973. The Gaspé inhabitants are grateful to the Noranda Mines Limited group who chose Murdochville as the site of those new plants and I hope that the eventual establishment of a copper refining plant in the Gaspé area is still being considered.

The Gaspesia Pulp and Paper Ltd Company, in Chandler, put in in 1968 a second newsprint machine, following a contribution from the federal government and economic incentives of about $2.7 million.

Mr. Speaker, the pulp and paper industry has already contributed very much to the economic activity in the povince of Quebec, but in the last few years—and everyone agrees—the pulp and paper producers have had a hard time because of stronger competition. Our costs are no longer competitive and some of our plants are no longer profitable.

In Gaspé, the Gaspesia Pulp and Paper Company Limited, from 1960 to 1971, invested $3.27 million for lumber operations, in order to improve its system, and $40.6 million in its Chandler plant, for the purchase of two newsprint machines, as well as for other capital outlays and also major repairs to its equipment, all this in order to produce newsprint instead of commercial pulp. The joint owners of the company, the *New York Times*, purchase 60 per cent of its annual production.

If some economists or politicians criticize the pulp and paper companies, holding them partly responsible for the present situation as a result of their lack of planning, such charges indeed do not apply to the directors of the Gaspesia Pulp and Paper Company Limited, in Chandler, since that company has streamlined its operation and its production in order to make its plant one of the best organized in the province. And I believe that those who achieved it should be commended.

Still under the same topic, that of regional development, I must say that two sawmills are presently under construction, one in Grande-Vallée and the other in Marsoui. The establishment of those two sawmills in my constituency would have been impossible without grants of about $956,000 from the Department of Regional Economic Expansion.

As concerns fisheries, the federal government contributed $2 million in 1967 for the organization of the fishing complex in Rivière-au-Renard, one of the most modern in eastern Canada.

For a fish-hatchery which is being built at Anse-Pleureuse, a $578,750 grant covering 75 per cent of its capital cost was allowed by the Department of Regional Economic Expansion under FRED.

Mr. Speaker, in the Speech from the Throne reference is made to a policy designed to promote the tourist industry in this country, as well as the expansion of our network of national parks, and the assurance that vast areas of Canada will be preserved in their natural state for the enjoyment of this and future generations.

In Gaspé, we started off several years ago. We already have our Forillon National Park, tourist areas at Percé, Carleton and Mont-Saint-Pierre, thanks to the co-operation of the federal government. And I am deeply grateful to the Minister of Indian Affairs and Northern Development (Mr. Chrétien) and to the Minister of Regional Economic Expansion (Mr. Marchand) as well for those developments.

Under FRED, $2 million have been granted to the province to share in the development of the tourist areas in my constituency, that is Mont-Saint-Pierre and Percé, in addition to a sum of $350,000 affected by the federal Department of Environment for the construction of a wildlife interpretation centre in Percé, the second one in Canada, and work will be undertaken on March 1.

The Gaspé peninsula will undergo considerable economic development, thanks to the creation of the Forillon national park. It is expected indeed that the number of tourists in the Gaspé peninsula, which has levelled at 225,000 persons these past few years, will have tripled in 1976 to reach 700,000 visitors. As a result, there will be an annual cash input of some $42 million. The work in that park began in 1969 and in five or seven years, over $10 million will have been invested.

Mr. Speaker, that co-operation of the federal government since 1965 must not come to an end. Indeed, it must continue, and my statement confirms what His Excellency

the Governor General said on February 17, 1972 in the Speech from the Throne and I quote:

—the government has worked to strengthen and promote the economies of the less developed regions of Canada.

I must congratulate the Prime Minister (Mr. Trudeau) and his cabinet.

Without the financial assistance of the federal government to regional development and the excellent co-operation of Quebec, all these achievements and several others still would have been nothing but a dream.

He who cannot recognize that there is in Gaspé a new start, thanks to the efforts of both governments, is blind. We shall always have some frustrated people, some malcontents, even if we pay them a trip to the moon, because they cannot adjust to change.

To end this retrospective, I wish to pay a tribute to the people of Gaspé and, in particular, to the municipal administrations, Chambers of Commerce and citizens' committees for their co-operation in these social and economic changes which have occurred in my riding. They all worked together in harmony and always suggested concrete and realistic solutions. Everything went on in a peaceful instead of a fighting mood.

Gaspesians are grateful to the Minister of Regional Economic Expansion and to all federal and provincial public servants for the interest they show for this tremendous development in our area.

Mr. Speaker, on another occasion I will have the opportunity to draw to your attention the concern showed by the Minister of Environment (Mr. Davis) for the development of our fisheries and the conservation of our marine resources.

I would now like to inform the House and Canadians of the recent Canada-Quebec agreement for the economic and social development of Eastern Quebec.

In October 1971, after the Canada-Quebec agreement had been signed, two British Columbia ministers, that is the Hon. Dan Campbell, Minister of Municipal Affairs, and the Hon. Ray. Williston, Minister of Lands and Forests, sent a letter to the mayors of Vancouver Island, suggesting that Ottawa was spending an additional $400 million in the Gaspé, and criticizing the federal regional development policy in doing so.

In that circular letter to the mayors of that area, Mr. Campbell says, and I quote:

• (1520)

[*English*]

As you will remember, in part the case was made on the basis of activities carried on by this particular federal department in other areas of Canada and the case was made that British Columbia certainly deserved equal treatment. I now have on hand another example which makes the present federal policy equally discriminatory. Indeed, when one considers that this most recent program is over and above any equalization payments or special deals the fact that discrimination exists becomes overwhelmingly clear.

In addition, in terms of the area involved with this particular program, a strong case can be made that this recent agreement is another example of the mismanagement of capital on a colossal scale. If one examines a $400,000,000 expenditure over 5 years assigned to an area which has a population of 220,000 one cannot help but express amazement that such an expenditure could be contemplated.

[*Translation*]

In his letter of October 5, 1971 to Mr. H. A. Moffat, mayor of Prince George, Mr. Williston said, and I quote:

[*English*]

Within the last couple of weeks a new program of assistance has been announced for the Gaspé region of Quebec. This marks a second attempt when a first program became bogged down after the spending of something more than one hundred million dollars on the paperwork without a development involving any physical accomplishment. The new five-year program commits the expenditure of four hundred eleven million dollars. The population to receive such assistance numbers about 240,000 people.

It is not my purpose to show that assistance should not be extended to the people in this section of Quebec. However, I do think that if there is this type of money available for help that the presentations made by both the province and the municipalities from British Columbia are worthy of some type of positive response. I am sure that if we do not protest the lack of fair treatment for our own people that we can be accused of poor representation on their behalf.

[*Translation*]

Mr. Speaker, referring to this Canada-Quebec agreement, I should note that it is not exclusively for the benefit of the Gaspé Peninsula, but also for the benefit of eastern Quebec and Magdalene Islands. The financial contribution of the government of Canada to this agreement is of assistance to our region but not to the prejudice of other provinces.

As I pointed out, this agreement does not affect only the Gaspé Peninsula but covers a territory of 17,000 square miles with a population of 335,000 and comprises ten provincial constituencies and six federal ridings.

It should be noted that the combined area of Vancouver Island and Prince Edward Island—12,000 and 2,000 square miles, respectively—is smaller than that of the eastern Quebec territory covered by the agreement. Let us now see what the overall objective of this agreement is.

The main industries in the region are forestry, mines, fisheries, tourism and agriculture. The major objective in these fields of activity is to raise the income of the people and to increase productivity in primary industries, which are the regional economic mainstay, through a training programme for adult manpower.

Let us examine these programs at length: That agreement provides for the integration and co-ordination of routine activities within various federal and provincial departments. This explains the inclusion, in whole or in part, of the regular budgets of several departments in this $411 million vote to which the province of Quebec is contributing $113,588,000.

The agreement provides for planned assistance to industrial development, urban infrastructures and transportation, but all in terms of each department's regular programs, in addition to a supplement of $153 million from the department of Regional Economic Expansion for a period of five years, thus representing a yearly contribution of $36 millions in new votes or $108 a year per capita.

The first agreement was signed in May 1968 for a five-year period and for an amount of $258,790,000, including federal and provincial contributions.

On March 31, 1971, only $71 million had been spent. This is why a new "agreement" was negotiated and signed on September 10, 1971.

As we can see most of the programs under this agreement are the same as those which profit the people of British Columbia in the regular estimates, and I would like to quote a few:

1. Department of Agriculture:	
(a) farm consolidation	
(b) research	
(c) production development, etc.	$1.6 million
2. Department of Fisheries:	
Premium for building fishing boats	$4.2 million
3. Department of Indians Affairs and Northern Development:	
(a) Forillon National Park	
(b) Historical sites and monuments	$8.6 million
4. Central mortgage and housing corporations:	
(a) assistance to housing	
(b) urban development	$2.51 million
5. Department of public works:	
(a) warves	
(b) harbours	
(c) airports	
(d) ferryboats	$25,875,000
6. Department of Manpower and Immigration:	
(a) to facilitate adaptation to changes inherent to modernisation of factories	
(b) adult occupational training	
(c) mobility of Manpower	$91,750,000

The agreement calls for the spending of $7 million in 5 year for the development of the first national park in the province of Quebec in 105 years and I suggest that this amount is not excessive. How much have British Columbia and the western provinces received from the federal government for parks and historical sites in 105 years?

According to a report supplied to me by the Department of Indian Affairs, British Columbia has three national parks. In capital investment to operate those parks, the National Parks Branch has spent $14,620,763 from 1961 to 1971, and the maintenance expenses amounted to $11,659,-000 from 1966 to 1971.

In the province of Quebec, we are proceeding with the first national park at Forillon, and in British Columbia, they are proceeding at this time with the fourth national park, which will be named the Pacific Rim Park. If there is discrimination as far as parks are concerned, it is surely not in British Columbia.

As to fisheries, the agreement provides, as I said earlier, for $4,200,000 to be earmarked for the building of fishing boats, out of the program which calls for a grant of 35 per cent from this government.

Considering that British Columbia has the biggest fishing fleet in Canada, the fishermen of that province will certainly receive greater subsidies than those of Quebec under that program.

This shows, Mr. Speaker, that all the regular programs of federal departments are included in that "Canada-Quebec Agreement".

It is obvious from the table which I have quoted that the people of the Lower St. Lawrence, the Gaspé peninsula and Îles-de-la-Madeleine—and I see the hon. member from Bonaventure-Îles-de-la-Madeleine (Mr. Béchard) is here—are no more favoured than those of other depressed areas in the country, such as Newfoundland, Nova Scotia and New Brunswick.

The statements made by the ministers of the British Columbia government on the "Canada-Quebec Agreement", as well as the recent attacks of the Attorney General of that province, the Hon. Leslie Patterson, who tries to question the constitutionality of equalization payments made to certain provinces, demonstrate the mentality of some politicians who seem to favor the creation of two classes of Canadians, by approving of poverty for some and accumulating wealth for others.

It is difficult to understand how ministers in a province like British Columbia can possibly send such mistaken letters to city councils. Had they only gone to the trouble of first asking for information from their devoted representatives, ministers or even backbenchers of the government party who come from that province, they would have obtained it and would thus have avoided another quarrel between eastern and western Canada. If this is the policy of the British Columbia Social Credit party, it is lamentable.

Mr. Speaker, the Speech from the Throne states that the government is concerned about the fact that several communities are presently deprived of national broadcasting services and that about a million Canadians in some 260 localities have no television broadcasting service in their own language. The Government proposes, therefore, that the C.B.C. be authorized to extend its services in a comprehensive fashion and to utilize the capabilities of Canada's pioneer satellite communications system to assure within a five year period that at least 98 percent of Canadians are served.

I wish to congratulate the government for this initiative as a large percentage of the people in my riding do not have access to television programs.

Television has been in Canada for the past 20 years and it is a sad thing to realize that in certain areas, some families in order to get service in the first place have to buy from a group a $100 share in the cable television and afterwards they have to pay a monthly charge of up to $8.

On several occasions, I have met the Canadian Radio-Television Commission directors. Last year the Secretary of State (Mr. Pelletier) came to Gaspé to assess the situation. I am happy to see that the CRTC maintains its priority requirements for distant places such as the Gaspé peninsula.

The Acting Speaker (Mr. Boulanger): I regret to interrupt the hon. member, but his time is expired. With the unanimous consent of the House, he could continue.

Some hon. Members: Agreed.

The Acting Speaker (Mr. Boulanger): Agreed.

Mr. Cyr: The Canadian Broadcasting Corporation is the only one capable of remedying the situation. Therefore, this House should approve the necessary estimates in order that the CBC may extend its services to the Gaspé Peninsula and other areas which do not have television in their own tongue.

Today, Mr. Speaker, television is no longer a luxury but a necessity for the social, educational and cultural development of the individual.

• (1530)

[*English*]

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I listened with a great deal of interest to the speech made yesterday by the Minister of Finance (Mr. Turner), his first speech in the House since he was dragooned into accepting that post. As I listened, I could not help but feel sorry for the minister. Here he is, young, handsome and wealthy, a completely bilingual Member of Parliament who wants—and I cannot blame him—to be prime minister of Canada when that post becomes open. When he was minister of justice he was able to change the bail procedures and propose legislation to outlaw wiretapping, issues which are certainly important to people like myself who believe in civil liberties but which are not the tremendous concern of the bulk of the Canadian people. These issues permitted him to project the image of being progressive and small "1" liberal.

Now, unfortunately for the Minister of Finance, he has been asked to take on a position which requires him to give the lead, to give the direction in which our economy will move in the next couple of years. The voice we heard yesterday was the voice of the Minister of Finance, just as the voice we heard in the past three or four years was the voice of the former minister of finance, the hon. member for Kingston and the Islands (Mr. Benson); but the words and thoughts expressed both in the speech yesterday and in the speeches of the former minister were the words and thoughts of the deputy minister of finance.

Over the years in which the former minister of finance held that position he made innumerable predictions, to which I will come back in a few moments, about how we were on the threshold of improving conditions so that unemployment would be reduced and the needs of the people met. Those predictions proved to be as false as the explanations of the minister were lengthy.

As I listened to the Minister of Finance speaking yesterday I found in his speech not a single new idea. There were some new words, and some new concerns were expressed which were good to hear, but there was not a single indication that the policies of the government have changed. So while the speech yesterday did not sound bad, and the speech in March will not sound bad, when we get to September, October, November and December of 1972 and the unemployment rates will not be much better than they are at present, the credibility of the Minister of Finance will disappear in the same way as the credibility of the former minister disappeared. When that happens, I am afraid that the opportunity of this Minister of Finance to become prime minister of Canada at some time in the future will disappear just as the snow in Ottawa and Winnipeg will disappear in the next couple of weeks or months.

Let me quote a couple of paragraphs from the speech made yesterday by the Minister of Finance. He said:

> Despite substantial progress in developing policies and mechanisms for guiding the economy, it still remains difficult to determine with precision the state of the economy and its direction at any given time. It follows that there are always difficulties in determining what levers should be pulled, with what force, and at what exact time, in order to bring about a correction in the course of the economy.

I submit that the economic advisers of this government, the deputy minister of finance, the governor of the Bank of Canada, the chairman of the unlamented Prices and Incomes Commission, and the secretary of the Treasury Board knew what was going to happen in the last couple of years. They knew what was going to happen in the last couple of years, Mr. Speaker, because they had the same information as other economists across the country. If one looks at the record it can be seen that economists like Professor Weldon of McGill University, Professor Blauer of Brock University and Dian Cohen who writes a column in the Toronto *Star*, as well as some of the best economists in the province of Quebec, were predicting precisely what would happen and saying that the policies adopted by the government would lead to the situation which we are in at the present.

• (1540)

Mr. Speaker, the government advisers, the Prime Minister (Mr. Trudeau) and the then minister of finance knew what would happen. The events that took place were not an accident, not the result of ignorance but the result of deliberate choices made by the government and its advisers. The priorities set by the government showed that they believed that the problem which had to be faced in this country was inflation and they set out to deal with it, even if only temporarily. As a result, the economists I have mentioned predicted greater unemployment. Yesterday in the House the minister said:

> Throughout most of the 1960s the Canadian economy experienced the greatest period of sustained expansion in its history.

He left the impression that most Canadians benefited from that expansion. I have here a document entitled "Our Tomorrows", prepared by the Indian tribes of Manitoba and published in October, 1971. I should like to give a couple of illustrations of the situation in Manitoba regarding Indians who do not live in my constituency. I am not putting their plight on the record because I am not making a plea for people whom I personally represent, but I should like to quote from this document a couple of illustrations of their situation. At page 47 it reads:

> The infant mortality rate for Indian people is twice as high as that for the general population (including Indians) of Manitoba. Mortality among young adults is four times that of this general population. The Manitoba Indian population's morbidity rate from tuberculosis is appalling in itself, and ten times that of the general population (again including Indians).

Later, talking about the income of Indians, it reads at page 51:

> To indicate the extent of this poverty of the 32 per cent of employables living on reserves, male and female, ages 15-64 who have an earned income, only 4 per cent earned in excess of $4,000 in 1969. The balance of the population must depend completely or in part on social allowances or other state support.

Mr. Speaker, those facts ought to make every Member of Parliament and every Canadian citizen ashamed of the system which we have allowed to grow and exist in Canada. Later in his speech the Minister of Finance said:

> Since the fall of 1970, the growth of our economy has been accelerating in response to the progressively stronger stimulus injected by the federal government—

Well, Mr. Speaker, those of us who oppose the government's economic policy of trying to deal with inflation as its number one priority were calling on the government to implement expansionary policies for at least 18 months before it adopted them. Later in his speech the Minister of Finance said something which sounded a little different from the views of his predecessor. He said:

> Our most urgent and pressing task is to bring about a substantial reduction in the level of unemployment. Our goal, our objective, must be the provision of a job to every Canadian who is seeking work.

That sounds great, Mr. Speaker, but the record of this government should not give the people of Canada the right to feel that this government intends to take steps to achieve that end. I have said that the minister, I am sure on the advice of the deputy minister who certainly is not living in a state of poverty, goes back to the old argument put forward by the Prime Minister and the former minister of finance, and so we are back where we have been for the last three years. The minister then said:

> This leads me to what in my judgment is the fundamental problem of economic management. This is the problem of maintaining maximum growth of employment and production in the economy, while at the same time preventing the development of inflationary pressures which eventually could undermine the very foundations of the economy if allowed to go unchecked.

It was that kind of thinking which led the government to adopt its policies of restraint which have resulted in unemployment in Canada in the four Trudeau years being twice as high as it was in the four Pearson years.

Mr. Mather: As high as under the Conservatives.

Mr. Orlikow: My colleague from Surrey-White Rock (Mr. Mather) says "As high as under the Conservatives," but he is wrong, Mr. Speaker. It is much higher than it was under the Conservatives. I want to put on record again the fact that we have heard these promises and pledges from the representatives of government for the last couple of hears, to the effect that things would get better. I would say, Mr. Speaker, that I have heard them ad nauseam. Let me put on the record a couple of examples of the promises and pledges. On November 12, 1970, the then minister of finance said:

> Recently I suggested publicly that on a seasonal basis .. unemployment had about reached its peak and expressed confidence that we could look forward to continued improvement.

When he made that statement we had an unemployment rate, seasonally adjusted, of 6.5 per cent. Some 14 months later, in January, 1972, it was 6.2 per cent. But he was not alone, Mr. Speaker. On March 18, 1971, the Prime Minister said:

> The government has taken a series of steps intended to alter the course of the economic policy ... Some time must elapse before these steps can be fully efficient.

Then he said:

> I think that all the economic indicators show that the economy is moving.

When the Prime Minister said that in March, 1971, the rate of unemployment was 6.2 per cent, precisely what it was eight months later in January, 1972. Then in April, 1971, the then parliamentary secretary to the then minister of finance said:

• (1550)

> The government is not prepared to accept an unemployment rate of 5 per cent to 6 per cent seasonally adjusted or otherwise, for the future.

That was in April of last year, Mr. Speaker, and here we are, not with an unemployment rate of 5.5 or 6 per cent but with one of 6.2 per cent. I say that there was not a single indication in the speech the Minister of Finance made yesterday to indicate that the government has realized that the policies it has followed for so long are wrong and doomed to failure. The government's policies will continue to fail so long as the government refuses to face the reasons leading to unemployment and to adopt policies which must be adopted if we are to get rid of unemployment and the suffering which results from unemployment.

A couple of weeks ago we saw the figures which are issued each month by Statistics Canada showing unemployment for the previous month. Like most newspapers across Canada, the *Globe and Mail* carried a sypnosis of the statistics issued by Statistics Canada; it appeared in an article on February 9. Let me put on record what the situation was at that time. I am referring to the figures for January, 1972. There were 665,000 Canadians out of work in January this year, 135,000 more than in December of 1971 but 3,000 less than in January, 1971.

The number of unemployed this past January represented 7.7 per cent of the labour force. In January, 1971, the actual rate of unemployment was 8 per cent. So there was a reduction of .3 per cent, in other words one-third of 1 per cent. The rate of unemployment, after adjustment for the usual seasonal causes, declined to 6.2 per cent in January, 1972, from 6.3 per cent in December, 1971, and 6.4 per cent in January, 1971. In other words, between January, 1972, and January one year earlier, unemployment declined by one-fifth of 1 per cent. The number of unemployed increased substantially in the Atlantic provinces which traditionally suffer the heaviest rate of unemployment. Unemployment remained almost constant in Quebec, a province which has too much unemployment, and remained quite heavy in the prairie provinces.

How did we get in this mess? The government and the Prime Minister of course deny that they are responsible for unemployment, that it was their deliberate policies which created the present substantial rate of unemployment. It sometimes seems to me that the government has adopted a basic principle which was adopted successfully in some totalitarian countries before and during World War II, the principle that if you tell a lie often enough it will become a truth and you can rewrite history.

Just before Christmas—in December, 1970—when interviewed and asked how serious he was about the government's policy of restraint designed to curb the rising cost of living, the Prime Minister said something like, "Just

watch me. I will not be deterred from this policy even if the result of this policy leads to an unemployment rate of 6 per cent." Well, Mr. Speaker, the Prime Minister was successful and even more than successful. He succeeded, as he said he would and as his ministers have repeatedly reminded us, in bringing the increase in the cost of living in 1970 to a virtual standstill. In 1970 the cost of living increased by less than 2 per cent. Of course, what the Prime Minister did not tell us then and what he now tries to deny is that the policies the government adopted would inevitably lead to a sharp increase in the number of unemployed.

When the government announced these policies, not only opposition members but economists across the country predicted precisely what would happen and it has happened. Those economists who predicted that the measures taken by the government to control increases in living costs would mean much higher unemployment also said that no country, and certainly not a country like Canada which is so dependent on its sales to and purchases from the United States, could insulate itself from the effects of inflation in the United States. So although the government was successful in holding the line, in holding down living cost increases in 1970—a policy which, as I say, inevitably brought about sharply increased unemployment—the success of the government was temporary because what happened afterwards was precisely what economists had predicted.

In 1971 the cost of living rose by 5 per cent, the largest annual increase in our cost of living in a decade. That was the direct result of the Trudeau government's economic policies. In 1971 they brought about the sharpest increase in the cost of living and the highest unemployment to be seen in this country for more than a decade. And what of the future, Mr. Speaker? Yesterday the Minister of Finance and the Minister of Industry, Trade and Commerce (Mr. Pepin) made the usual promises about prosperity being just around the corner. I almost expected to hear the famous prediction which Herbert Hoover made when he was President of the United States during the depression. He said it would not be long before everyone had two chickens in the pot.

Mr. Pepin: He did not say disaster was just around the corner.

Mr. Orlikow: I beg your pardon, Mr. Speaker; I did not hear that gem.

Mr. Pepin: He did not say disaster was just around the corner.

Mr. Orlikow: I do not say disaster is around the corner. I am not suggesting for a moment that we are going back to the thirties. Surely nobody, not even the most moss-backed Tory, can fail to recognize that we have built into the economy many stabilizing factors which will prevent our going back to the condition of the 1930s when one-third of the Canadian people were unemployed and perhaps even more were on welfare, or relief as it was then called.

Only a Prime Minister with a computer where his heart should be could think we are not doing badly when 6.2 per cent of the work force of this country is unemployed. Only a Prime Minister who has never had to work for a living could ignore the results that unemployment brings to the paper worker or the textile worker of Quebec, who has not been unemployed in the way that Indians on the reserves of Manitoba, who have never had a chance to work, have been unemployed. The workers I am talking about have had jobs for the last 10, 15 or 20 years. They expected their jobs to continue and based their expectations on continued employment. I am talking about workers in Sudbury who are being laid off.

Just a couple of months ago the Prime Minister was telling the people of Canada that there were all kinds of jobs. He said, if you do not have a job in Montreal or Toronto, go to Thompson, Manitoba, or Sudbury, Ontario, where there are all kinds of jobs in the mines and smelters for people who want to work. A couple of weeks after the Prime Minister made that ridiculous statement, International Nickel announced it was laying off between 2,000 and 2,500 workers. I want the Minister of Industry, Trade and Commerce (Mr. Pepin) to tell the people who have been laid off in Thompson, in Sudbury and in his constituency how they are going to meet the payments on the house, automobile and television set which they bought because they thought they had secure jobs. Only a cabinet of millionaires and technocrats can have this kind of contempt for people who are poor and unemployed.

• (1600)

Some hon. Members: Hear, hear!

Mr. Pepin: Millionaire? Me?

Mr. Orlikow: I exempt the Minister of Industry, Trade and Commerce from the list of millionaires. However, he knows who they are. There are many such people in this government.

It is all very well for ministers such as the Minister of Industry, Trade and Commerce to make glowing predictions about what is going to happen and to say that things will become better and better. However, the Economic Council of Canada, as reported in the February 23 edition of the *Globe and Mail*, predicted a slowdown in capital spending. I suggest to the Minister of Industry, Trade and Commerce that if one wants to know what is likely to happen in the year ahead, he should not look at the propaganda speeches made by ministers or the gloom and doom speeches made by members of the opposition.

Mr. Pepin: Nor by the Economic Council.

Mr. Orlikow: The minister interjected, "Nor by the Economic Council". I say to the minister that the record speaks for itself. This country and this government would be a hell of a lot better off if the government had listened more to the Economic Council of Canada and less to the deputy minister of finance.

Some hon. Members: Hear, hear!

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

Mr. Deputy Speaker: The minister may ask a question if the hon. member who has the floor agrees to accept it.

Mr. Orlikow: Yes, Mr. Speaker.

Mr. Pepin: If the hon. member wants to see me after he completes his remarks, I will show him all kinds of qualifications made by the Economic Council. They say the forecasting is not as good as the time framework expands. Their prognostication does not take into account housing, changes in the international economic conjuncture. The hon. member made the flat statement that the Economic Council of Canada said business investment will not be as good in 1976 as at the present time. The Economic Council of Canada qualified that and the hon. member has left out the qualifications. That is not fair.

Mr. Orlikow: Of course, the Economic Council—which is a body of responsible, independent and, I presume, objective economists—has added caveats to its projection. I suggest that if the deputy minister of finance would stop being a politician and stop writing all kinds of nonsense which this government wants—

Mr. Pepin: You are conveniently changing the subject.

Mr. Orlikow: —and began to be the economist he once was, the government would receive some of the advice it needs rather than the advice it wants. The government's projections as to future employment have been consistently wrong. I challenge the Minister of Industry, Trade and Commerce to sit down with me—

Mr. Pepin: We are always wrong on the low side.

Mr. Orlikow: I challenge the Minister of Industry, Trade and Commerce to sit down with me, at his convenience, to look at the projections which the government has made which are based on information they received from the deputy minister of finance and his assistants.

Mr. Pepin: No, from business.

Mr. Orlikow: I would like him to compare the predictions with those made by members of this party, predictions which we did not pull out of the air. We obtained these predictions from economists, the names of whom I would be more than willing to give to the Minister of Industry, Trade and Commerce.

Mr. Deputy Speaker: Order, please. I regret that I must interrupt the hon. member to advise him that his time has expired.

Some hon. Members: Continue.

Mr. Pepin: May I ask the hon. member a question?

Mr. Deputy Speaker: Perhaps before I recognize the minister on a question I could determine whether there is consent to extend the time of the hon. member for Winnipeg North (Mr. Orlikow). Is it agreed?

Some hon. Members: Agreed.

Mr. Deputy Speaker: I take it the hon. member for Winnipeg North will accept a question from the minister.

Mr. Orlikow: Yes, Mr. Speaker.

Mr. Pepin: Is the hon. member aware that my department carries out a forecasting of investment intentions every year which is based on information provided by industry? Is he aware that they have been wrong nine times in the past 12 years, on the pessimistic side?

Mr. Orlikow: I presume when the minister says "they have been wrong", he means that his department has been wrong.

Mr. Pepin: This is done on the basis of information provided to my department. Forecasting is a difficult art and when forecasting, businessmen, unfortunately, tend to be more "PC" than "Lib."

Mr. Orlikow: I am prepared to accept the minister's statement that his departmental officials have been wrong on the conservative side nine times out of 12. I ask the minister what this proves.

One statement made by the Minister of Finance gives me a small hope that maybe this Minister of Finance is adopting a new look at things. I want to point this out to the Minister of Industry, Trade and Commerce. Yesterday the Minister of Finance said:

> We can have a strong expansionary economy, a rising GNP, strong retail sales, strong consumer spending, together with intolerable rates of unemployment. It has become quite clear that optimistic statistics are no answer to human problems.

That is the kind of statement we on this side of the House have been making to the government for the past four years and which they have ignored. I want to put on record what the Economic Council said about capital spending, as reported in the *Globe and Mail*:

> The survey—released yesterday—shows the real volume of capital spending on new buildings, machinery and equipment by 155 major business firms last year was 8.4 per cent below their year-earlier plans.
>
> And—depending on which of two yardsticks, provided by the council, are used—it shows the firms are planning for 1972 at best a 3.6 per cent increase in real (constant dollar) volume of spending and at worst almost no change whatever from their depressed 1971 level of outlays.
>
> "These capital investment intentions for 1972, followed by quite sharp declines, especially among business firms, in 1973 and for the balance of the survey period, represent a substantially weaker investment outlook than obtained in any previous capital investment survey conducted by the Economic Council of Canada"—

I hope, because I am concerned about the well being of the ordinary citizens of Canada, that the Economic Council is wrong. I hope there will be a great deal more capital spending.

Mr. Pepin: They qualified everything you are saying.

Mr. Orlikow: Of course they qualified their statements. I hope they are wrong.

Mr. Lewis: They are not prophets; they are forecasters.

Mr. Orlikow: I say that the indications for the future are not good. Because the government has not really changed its approach, the prospects for meeting the problems of poverty and unemployment in the next couple of years remain very dark.

• (1610)

What is the basic question? It is on this note that I am going to close. I said earlier that the government chose its priorities. The government decided that the number one problem facing Canada with which it had to deal was that

of inflation. It was the fear it had of inflation which led the government to adopt its policies of restraint which created the high level of unemployment that we have. Inflation in Canada cannot be eliminated until inflation is licked in the United States. The economy gives us what we want. If we want to deal with inflation, we are going to have unemployment. You cannot stop rising costs and not have increased unemployment.

What determines the well being of this country, Mr. Speaker? I suggest there are two basic factors: firstly, the amount of expansion that we have in Canada—about this the government has a great deal of say through the policies it adopts—secondly, the amount of inflation there is in the United States.

While it is obvious we cannot do much about inflation in the United States, we can do a great deal about expanding the Canadian economy. Unfortunately, there was nothing in the speech yesterday of the Minister of Finance, and not a single word in his answers to several questions at the conclusion of his speech, to indicate that in fact—not just in words, but in action—the minister has decided we must change the direction in which the government is leading the country.

I say that until the Minister of Finance changes his approach and adopts the attitude that the first requirement of the government, any government in this country, is to provide a job for every single person who wants to work, and adopts specific economic policies to bring about that objective, we shall continue to have unemployment at a level unmatched in any country in the western world except the United States. We shall continue to have poverty. We shall continue to move, not toward that just society about which the Prime Minister spoke so eloquently in 1968 but away from the just society that should be the objective of every Member of Parliament and every Canadian.

Mr. Paul St. Pierre (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, may I, like others who have taken part in this debate, begin by congratulating the mover and the seconder of the Address in Reply to the Speech from the Throne, the hon. member for Bruce (Mr. Whicher) and the hon. member for Trois Rivières (Mr. Lajoie). I was interested to note both these members, and several others who have spoken in this debate, expressed very favourable opinions of their home constituencies. I think this is welcome news because we all know that it is not everybody who can live in British Columbia, let alone that favoured portion, the riding of Coast-Chilcotin. While we welcome our fellows as visitors at all times, we know that our province is really not big enough to accommodate everybody.

In more serious vein, I think one of the better aspects of the life of a Member of Parliament is that most of us do from time to time get to see different areas in Canada and we realize, or we are reminded once again, that every one has its charm, its own traditions and its own pride. We see this exhibited in our travels and we see it exhibited in other ways in this House. And surely this is a good thing, because I believe that we as Members of Parliament are particularly aware that it is these little differences—like the little bit of difference that remains between the sexes—that makes life interesting.

The fundamental things that Canadians hold in common with one another are stronger than any regional differences, even those differences that occasionally lead to family spats. I think the sense of identity as citizens of Canada becomes more apparent to Canadians when outside the borders of this country; the perspective is better from abroad. But I think there are very few, probably none, in this House who do not believe that the cement of the Canadian confederation's foundation is actually very strong.

These considerations lead me indirectly to the subject of my few remarks today. I am going to deal with one topic only. I do not intend to deal with the Throne Speech as a whole but to speak about one particular aspect of Canadian affairs with which I regret to say the Throne Speech did not deal. It is, I suggest, a thing that is badly needed. I refer to the reform of our immigration laws.

Canada must be one of the most hospitable nations of any, in terms of its immigration laws. There is nothing wrong with that sentiment, but I suggest that some people are abusing our hospitality. I refer in particular to some of those who enter this country as visitors, who then apply for citizenship while resident in Canada, who then appeal a negative decision and in many cases continue to live and work in this country with practically full rights while the overburdened Immigration Appeal Board attempts to deal with their case.

There are appeals that are legitimate, of course, and there are appeals that are not. But there can be no doubt that some of our visitors are treating us as patsies. Somewhere along the line our immigration law has perhaps lost sight of a fundamental principle, a very simple principle, namely, that no citizen of a foreign country can demand Canadian citizenship as an inherent right. Canadian citizenship is a privilege. Some of us are born with it; some of us acquired it. All of us who have it are equal. But however acquired, whether by birth or by naturalization, it is something valuable. It is something which, unless Canadians themselves treat it as something valuable, will diminish us in the eyes of others.

Before proceeding, Mr. Speaker, I should say that I regret that the Minister of Manpower and Immigration (Mr. Mackasey) cannot be present today. As hon. members know, he is in hospital and I know that we all wish him a speedy return. My remarks, of course, are not directed toward him or his immediate predecessor: in my opinion it was some years ago that our immigration policy was altered in a way that proved to be at least a serious error of judgment if not a mistake in principle.

Some of the immigration law changes of some years ago were undoubtedly enlightened. In fact, most of them were. Certainly, I should not like it to be thought that I am suggesting we ever return to immigration laws that bar immigrants on the basis of skin colour or any other considerations of race. In this modern age, considerations of racial prejudice have no place in the laws of an enlightened state.

• (1620)

Nor do I think we should object to immigration laws permit the reuniting of close relatives. The points system, from my observation, is relatively fair. There might be debate as to whether too much weight is given to one or

another aspect of an application in determining the number of points in accordance with the scale, but this is a matter of detail, not of principle. Humanitarian considerations must be a part of our immigration policy. Canadians would not want an immigration policy which was devoid of this principle. Again, I am in favour of the aspect of policy which requires that the number of immigrants who are job seekers should be scaled to the job situation in Canada at the time, category by category.

There are a few interesting figures which tell to some extent the story of immigration over recent years. Between 1967 and 1970, immigration into Canada dropped by 34 per cent, from 223,000 to 148,000. It is interesting, also, to take note of the general pattern of immigration in Canada as compared with that of similar developed countries. As a percentage per thousand of population, Canada admitted immigrants during the period of which I am speaking at a rate of 10.7. That was in 1967. The figure in 1969 was 6.9. The rate is higher than it is in the United States. In that country they had a fairly constant rate of 2 throughout the sixties. It was a little higher than the United Kingdom, where immigration rose from 4.1 in 1958 to 4.4 in 1968. However, it reverses the trend in Australia where in 1966 the rate amounted to 7.8 in 1966 and was up to 10.3 in 1969.

But why, I ask, Mr. Speaker, is Canada just about the only nation which allows visitors to apply for landed immigrant status without first returning to their country of origin and then coming back through the front door together with other immigrants? This practice of permitting appeals within Canada by people who have not gone through the standard procedure of applying outside our borders is unfair to other applicants abroad who accept the basic principles governing entry. Such appeals have swamped our Immigration Appeal Board. Their number has made the situation more difficult for legitimate applicants and it has begun to cause concern among citizens at home, some of whom are beginning to wonder whether Canadians are sufficiently masters in their own house.

I should like to quote a few further figures at this point. I regret they are not as up to date as one would wish; however, they cover the period to the end of July of last year and I have no reason to believe the situation has greatly altered since then. At that time the Immigration Appeal Board had a backlog of 6,771 cases. The board can hear approximately 90 or 100 cases a month. During the period in question they were receiving appeals at the rate of between 400 and 425 cases a month. The backlog, then, in July, 1971, amounted to seven year's worth of cases, each of which costs the taxpayer approximately $1,000.

About two-thirds of these appeals concern persons who entered as visitors and who then applied unsuccessfully for landed immigrant status. In the first three months of 1971, more than one-third of those who applied for landed immigrant status did so after having entered Canada as visitors. The figures are 11,514 out of 27,899. About a third of this 11,514—4,432—were Americans. I read an article by Mr. Nick Hills of Southam News Services in which he quoted one federal official as saying:

> We thought at the time—1967—that it was pretty bureaucratic to make a qualified person go back home to pick up his visa, as the United States does. But we misjudged the number of people who would want to take advantage of the new rule. We thought it would only be a few hundred.

[Mr. St. Pierre.]

The actual figures were far more than that: 26,000 in 1968, 42,000 in 1969 and 50,000 in 1970. The Sedgewick Report found that under the present system of appeal—if the present rate of appeals continues—the size of the staff of the Immigration Department and of the Immigration Appeal Board would need to be tripled, at least. This would, of course, represent an enormous cost increase. But apart from the question of cost, which I suppose we should bear if it were necessary in the name of justice, I suggest we are wrong here in principle and that we should alter our immigration laws except in exceptional cases, because surely the law ought always to be able to take care of the exception which can be justified on humanitarian principles.

But let the law follow the practice in other countries. Our immigration laws should not stray from the principle that Canada is our home. It is a home which, we hope, will always be friendly to visitors; we should not like to be thought of as an inhospitable nation any more than the average householder wishes to have the reputation of being inhospitable. But let us not be imposed upon. With all due consideration being given to humanitarianism, let us have laws which recognize that the rights of Canadian citizens extend far beyond any rights of citizens of nations abroad who find themselves in this country. I thank hon. members for their attention.

Some hon. Members: Hear, hear!

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I am almost overcome as I address you in this crowded, expectant, hushed House on this Friday afternoon. First, I wish to congratulate both the mover and the seconder of the Address. I think they acquitted themselves well; their performance was fine. I congratulate, too, those of my colleagues who preceded me in this very important debate.

Those who seek to analyse our parliamentary institution, and especially those who delight in criticizing it, do not in my view pay sufficient regard to the opportunity afforded by such debates as the debate on the Address. Here the Members of Parliament are in their representational character and, as I have said before in this House, representative government precedes even responsible government. It is tremendously important that members from the various parts of this country address themselves to the various needs, interests and challenges which face the nation. This is a most important part of our proceedings and I congratulate those who have gone before me on Mr. Speaker's list.

I note that many members have been referring to their constituencies. I shall not do this but I shall refer, rather, to the province from which I come, a province which embraces four constituencies. Next year Prince Edward Island celebrates the one-hundredth anniversary of its entry into confederation. Although our province was host to the meeting at which confederation was really decided upon in 1864 in Charlottetown, we remained aloof for a further six years. I hope many Members of Parliament will avail themselves of the opportunity to go to Prince Edward Island in 1973 because it will be a gala celebration. Indeed I have suggested to the leader of my party

that he hold there a meeting of the Dominion cabinet on the 1st day of July, 1973, which is the exact anniversary.

• (1630)

Mr. Francis: It would be April Fool's day.

Mr. Macquarrie: On this occasion as we come to our centenary, we are naturally, in Prince Edward Island, taking stock of the events which have followed the decision of our forefathers in 1873. We are appraising and judging the treatment we have received as a member of the Canadian family. While we rejoice in our Canadianism, proud of the fact that the cradle of confederation is in our province, we do see at the present time some serious problems and we do look to Ottawa and feel there are many areas in which we have not been given the treatment we deserve.

In the first place, the unemployment statistics for Prince Edward Island, released in the latest batch of statistics, indicate a rate of something like 19 per cent. Just because we have had a high unemployment rate for so long is no reason that we should begin to like it—and we do not like it. I have sat here for four years and have listened to the former minister of finance indulge in prophecies that everything would be all right in short order, that we would go around a corner and lick inflation and lick unemployment. Whatever else that man will be, he will not be respected as much of a prophet. When I think of his performance in the field of prophecy, I hope he will never indulge in it in his new portfolio because any time I hear that man stand up and say there will be peace in our time, I will head for the bunkers or the high hills!

Another aspect is the failure of the government to do its part in its own administration in our province. As the months go by I have been watching the closing of federal offices or portions thereof in Charlottetown. We find that the citizens of Prince Edward Island, to carry on their dealings with the government of Canada—which serves them as it does other provinces—must negotiate with officials located outside Prince Edward Island. I maintain that every citizen of Prince Edward Island should be able to deal with the government of Canada and its departments in the province of Prince Edward Island.

I do not welcome the closing down of the unemployment insurance office and the moving of it to Moncton. I would not have welcomed it even had it worked, which it did not. I do not like the dismantling of the Post Office Department and the ever-degrading of the structure which remains on Prince Edward Island. This is a negative and an unhelpful step and is not what was intended when we entered Confederation in 1873. This gradual erosion threatens to make one of the provinces of Canada a branch plant of some regional group.

Nor do I like to see the federal government eluding and evading its specific constitutional responsibility in our particular province and for our people. I have watched as the development planners have moved to a stage whereby the federal government has sloughed off its responsibility for many of the fishing ports of Prince Edward Island which, according to section 91 of the British North America Act, do belong to Ottawa. We have the plan that only certain designated ports are to be maintained and the rest are to be forgotten. That lack of responsibility on the part of the federal government is not at all creditable. I watch the manoeuvring which goes on to designate the ports. I see that the port which is probably seen by most Canadians, the port of Covehead in the heart of the national park—a great fishing centre; even I catch all sorts of mackerel there in the summer—is on the undesignated list. That port is being denied the kind of service, maintenance and improvement which all fishing ports should get from the federal Department of Public Works.

I say, too, that there has been lack of concern about public works projects which would help our people. For years and years the federal government has been failing to bridge Rustico Bay, a little bay on the northern shore of Prince Edward Island. In a day and age when the Soviet Union and the United States can both get to the moon, surely to heavens the government of Canada can get across Rustico harbour as it planned to do. We built a highway through the national park to link it together, but they cannot get across that bay.

I also say that in many of its responsibilities the government is failing to move with sufficient dispatch. I think the world of the Minister of Transport (Mr. Jamieson). He is a great orator, a great Burns scholar, and for that alone I would have high regard for him; but the snail's pace which marks the building of a good airport in Charlottetown distresses and pains me and troubles the people of Prince Edward Island. Eastern Provincial Airways is giving us the finest service we have ever had. Planes are flying to Montreal with good capacity. The people appreciate the service and they use it, but you can only find 65 seats in the Charlottetown airport. You get 125 parking spaces, but only 65 seats. So unless everybody comes out with 2 cars, it seems to me the thing does not jibe.

We are also concerned that not sufficient progress is being planned for ferry needs at Cape Tormentine and Borden. We need these ships under way now, because with the way the tourists are flocking to Prince Edward Island—showing their good judgment and their good taste in doing so—we will need new ships, especially now that the government has repudiated its commitment to build the causeway. I say in an even more serious way that the development plan, which is the umbrella apparently under which the government at Ottawa has embraced all its dealings with Prince Edward Island, is not measuring up to the expectations of the people who voted for the provincial party which endorsed it a couple of years ago. The development plan is in fact accelerating those negative forces which are presently marring and hurting our economy.

Long before there was a development plan we had the drift away from the farm and the heavy pressures upon the small farmer and the small fisherman. It seems to me that after many years of planning, discussion and study the Prince Edward Island development plan is in itself accelerating those forces and movements which have been injuring and marring our economy for many years. We do not need that kind of accentuation of negative forces.

Also, we find to this day that with the manner in which the federal government sits on top of all the planning there are delays creeping in and needs which are not

being met. From the latest issue of the *Eastern Graphic*, one of Prince Edward Island's finest newspapers, I read:

> It has often been suggested in the past that Ottawa now dictates almost everything that happens in this province. A recent example of just how far Ottawa is prepared to go to see that its own people get the jobs in this province ... with the appointment of a management consultant for the Charlottetown development program.

The article goes on to say that seven or more firms submitted bids to the provincial minister but Ottawa wanted someone else to get it. So for many months there was delay and argument and the project is not yet under way. I say—I have said this more than once, as have my colleagues—that we need far more action, far more consideration and far more assistance in the very important industry of agriculture, especially in reference to the potato industry.

• (1640)

There are many things that we Prince Edward Islanders reflect upon. We are too much wedded to our Canadian association ever to think of fulfilling our destiny in any other way. We are Canadians to the core, but we ask that although we are the smallest among the provinces we still be regarded as a province and that the rights which appertain thereto never be neglected or forgotten by the powerful governmental machinery here in Ottawa.

There is much in the Speech from the Throne if one were looking for literary satisfaction. The purple passages are appealing. Whatever else it lacks, it has plenty of mellifluous prose. I do not mind that; that does not upset me; smooth writing is all right.

But I was surprised at the amount of gall which entered the purple prose. I refer to the reference in the Throne Speech to isolationism. There is a tendency to attack isolationism here, there and everywhere. Considering what has been attempted by this government in the realm of foreign policy, I would have thought that they would not be the group which would immediately come out attacking isolationism.

The effort to dilute our role in NATO was one of the first gestures which this government made before the world. It was not one of the noblest ones. There have been many indications that it might be shuffling off some responsibilities which once we used to bear. I thought of the isolationism syndrome when I noted that we are going to have a permanent observer in Washington accredited to the Organization of American States. We will join the ranks of Spain, Israel and Guyana in that regard. This is not, in my opinion, a tremendously courageous move.

In the days of Sir Wilfrid Laurier discussions were held in Ottawa over Canada joining the Pan-American Union as it then was. In Mr. King's generation of leadership here, it was reflected upon, considered and studied, and in the governments which followed it was also thought about, reflected and considered. Now, if after 70 years we are actually going to appoint an observer I hardly believe that this is a courageous step.

Canada must play its part in the world. Of course, we could not adopt an isolationist role. It would not be our tradition. Our people, I believe, would not tolerate it. We had an inglorious period in the 1930s when that was the foolish role we did play. I hope that never again will we

sink into that low mire of insensitivity, selfishness and inward-looking approach.

We must play our part, not as a super power but, I hope, as a great and decent country. Perhaps we have to realize from time to time that we do have limitations. I have often believed that we should sharpen up our external aid program. I never could believe that a country of our resources could have a meaningful program of aid to 67 countries in the world. I think we have to be more specific and selective. I have told this House that we may have some job in moving our priorities and I believe that our first priority should be the Commonwealth Caribbean, a place where because of our ties we could do something meaningful and useful for these neighbours of ours who should mean so much to us, whose political and economic institutions are so greatly challenged and whose viability is under threat every day of their existence.

I am ashamed today, as I was ashamed at the last Throne Speech, that the little country of Barbados can send to Ottawa three people to man a very efficient diplomatic mission while this country seemingly cannot—whether through austerity, obstinacy or lack of concern—open a mission in reciprocation in Bridgetown, Barbados. It is a disgrace.

Then, of course, there will be special problems to which we must apply ourselves as events move in the outer world, events which concern us and which will affect us greatly. We have been troubled in recent months over events on the other side of the world. My colleague, the vice-chairman of the External Affairs and National Defence Committee, mentioned yesterday the trip which he, I and the hon. member for Greenwood (Mr. Brewin) made to India and Pakistan at a time of terrible travail for literally millions of people from East Pakistan.

We watched events and we came back with sorrowful hearts, and yet there was some satisfaction in that the people of Canada did take an interest in this. Of course, we did not do as much as we could or perhaps should have done, but Canadians from one end of the country to the other did assist and contribute in that terrible story of human suffering which went on in the refugee camps of Bengal.

Now, with a decisiveness which is unusual in events of this kind, we have a new situation and a new state, a new nation: the populous nation of Bangla Desh was created. But the problems that existed in what was East Pakistan and is now Bangla Desh are not at all over, and we have a great responsibility there. I think that the government was right in recognizing Bangla Desh; indeed, I called for recognition some time earlier. I did not want Canada to be entering a turtle race, to be the last one to do it. I do not like the idea that you merely detach someone who is accredited to a nearby country. I think that Bangla Desh deserves a separate mission and the thing to do is to send in a charge d'affaires immediately and then build your establishment on that.

I hope that we will welcome Bangla Desh into the Commonwealth, and I am troubled in this regard that the Commonwealth may not have been sufficiently used as an association and the machinery of that association in the problem which faced Bangla Desh in its creation. I do not believe that the Commonwealth machinery is useless.

It is a matter of profound regret that Pakistan thought it necessary to withdraw from the Commonwealth. There is no disposition on my part to see Pakistan cast into outer darkness and it would be to me a great satisfaction if that country should elect to return to the Commonwealth. I remember the many occasions in the five or six years in which I was honoured to serve at the General Assembly of the United Nations, when I recall the fine co-operation which existed on many matters between Pakistani delegates and Canadian delegates as we tried our best to cope with the multifarious and difficult problems which faced that universal body. But I believe we must turn our attention to Bangla Desh and I hope the government will move.

I think the minister was on the right track when he answered a question of mine yesterday. I hope we will move and try to inspire our people to believe that there is a great human problem there as that new country tries to pick itself up after terrible agony, and that the Commonwealth tie will really mean something and it will be not only government to government and state to state but people to people.

• (1650)

I notice a section in the Throne Speech referring to the seeking and strengthening of friendships with other nations both within and outside the councils and agencies of the United Nations. This, of course, refers to contacts with and visits to the leaders of the Soviet Union, Yugoslavia, and so on. I do not think there is anyone who would not agree with that sentiment. We would be foolish and myopic if we did not want to see everything possible done to diminish tensions, strengthen detente and broaden understanding among nations.

We do not however, and did not believe that it was the course of statesmanship or diplomacy for the Prime Minister of this country to use the soil of the Soviet Union for his gratuitous insults and improper utterances in regard to the United States, and in this I do not demur or defer from the earlier statements made by myself and my colleagues. We do not want to castigate our long-standing allies as we go about the work of improving relations with other countries.

As far I know, nobody in this House has taken notice of the visit of the President of the United States to the People's Republic of China. This strikes me as being one of the great events of this decade. While I am never bemused by the notion that summitry by itself, a face-to-face conference of leaders can unravel all the problems, I believe that tremendous good in the international field may flow from this visit.

I know it is glib and clever of the wiseacres of the press to describe it as a political gesture by the President of the United States, but I think they do him less than justice. He is not one of my favourite American presidents, but he is the man who has made this contact and, as he said himself, has broken down the walls which have existed for far too long. Perhaps, in that strange irony that is sometimes worked out in history, he with his point of view would be the logical man to break ground in this field.

In our own history, I have often thought of Sir Robert Borden, the great loyalist from Halifax, as the man who could most successfully put the British imperialists in their place when it was necessary. Perhaps it is a man like President Nixon who can, without great misunderstanding at home, clear away some of the unfortunate and unnecessary hindrances to dialogue between these two important countries.

I am very proud that my own leader visited China some months ago and conducted himself there as a statesman and made a great impression on his hosts and others.

Some hon. Members: Hear, hear!

Mr. Macquarrie: We welcome this sort of development and I think we all should hope that the Nixon visit will bring about dividends for those who are trying to build up an equity of peace, understanding and good will.

There is just one more matter that I wish to deal with, Mr. Speaker. I began with a reference to the Prince Edward Island centennial and I shall close with a reference to the establishment of Heritage Canada. Naturally I approve of this, especially when it comes from a government which was deaf and uncaring to my pleas over several months to save the magnificent residence of Sir Robert Borden, "Glensmere". Nothing was done and it fell before the wrecker's crew and so a great piece of history disappeared. This government could not move, apparently, to set aside a holiday to commemorate Sir John A. Macdonald, the father of our country. Even at this late date we may see some preservation of our historic past and, if so, the government will find no more enthusiastic supporter than I to commend them—and I will even forget their past apostasy and former lack of concern.

Some hon. Members: Hear, hear!

Some hon. Members: Five o'clock.

Mr. Deputy Speaker: Is there disposition and agreement among hon. members that we call it five o'clock?

Some hon. Members: Agreed.

Mr. Deputy Speaker: It being five o'clock, this House stands adjourned until Monday, February 28, at 11 a.m. pursuant to Standing Order 2(2).

At 4.57 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, February 28, 1972

The House met at 11 a.m.

* * *

PRIVILEGE

MR. KORCHINSKI—DENIAL OF INFORMATION TO HOUSE ON PROPOSED TWO-PRICE SYSTEM FOR WHEAT

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I would like to raise a question of privilege affecting the rights of all hon. members. It concerns the contempt for parliament of the Minister of Justice (Mr. Lang) as indicated by his refusal to provide information on the so-called two-price system for wheat while continuing to provide the media with information which, if it so suited the minister, could be denied as not factual.

On February 21 in reply to the right hon. member for Prince Albert (Mr. Diefenbaker) the Minister of Justice who is in charge of the Wheat Board, stated that various methods of payment and timing were being considered by the government. I followed through with a question on that day and the minister replied as follows:

All these questions are really linked together and require an announcement of policy in connection with timing and the technique of making payments. Such an announcement will deal with all these matters at the same time.

I find that the minister has since made an announcement on the method of payment. It is found in Canadian Press and Southam Press reports in various Saturday papers. I suggest that this is contempt of Parliament. I therefore move, seconded by the hon. member for Dauphin (Mr. Ritchie):

That the matter of the growing disregard by the government for the right of this House to information on public business through the channels provided by the procedures of this House be referred to the Standing Committee on Privileges and Elections.

Mr. Speaker: The hon. member for Mackenzie has supplied the Chair with the required notice of his intention to raise this matter by way of a question of privilege.

The hon. member suggests that the matter to which he has alluded in his statement ought to be considered by the Standing Committee on Privileges and Elections. I have to rule that this cannot be done under the terms of our Standing Orders.

As the hon. member knows, and as I am sure all members appreciate, from time to time there have been grievances brought to the attention of the House along the same lines, suggestions that statements not made in the House were made outside the House, or that information not given to members in reply to questions was supplied to the media or in some other way given outside the House. There is a long line of learned rulings, going back many years, indicating that this is more a grievance than a breach of privilege, that it could be the subject of debate, that it might be the subject of a censure motion, that it could be the subject of a grievance, but that it could not be considered as suggested in the motion proposed by the hon. member for Mackenzie.

ROUTINE PROCEEDINGS

MAIN ESTIMATES, 1972-73

REFERENCE OF VOTES TO STANDING COMMITTEES

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, pursuant to Standing Order 59 I move, seconded by Mr. Sharp:

That the estimates of the sums required for the service of Canada for the year ending March 31, 1973, be referred to the several Standing Committees of the House, as follows:

What follows, Mr. Speaker, is a list of the committees and the votes to be referred to them. Perhaps the House would agree to dispense with my reading this.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

[*Editor's Note: The balance of the motion follows:*]

To the Standing Committee on Agriculture:

Votes 1, 5, 10, 15, 20 and 25 relating to the Department of Agriculture

Vote 30 relating to the Canadian Dairy Commission

Votes 35 and 40 relating to the Canadian Livestock Feed Board

Vote 45 relating to the Farm Credit Corporation

To the Standing Committee on Broadcasting, Films and Assistance to the Arts:

Votes 1, 5, 10, 15, 20, 25, 30, 35 and 40 relating to the Department of the Secretary of State

Vote 45 relating to the Canada Council

Votes 50 and L55 relating to the Canadian Broadcasting Corporation

Vote 60 relating to the Canadian Radio-Television Commission

Vote 65 relating to the Company of Young Canadians

Vote 70 relating to the National Arts Centre Corporation

Votes 75 and L80 relating to the National Film Board

Vote 85 relating to the National Library

Vote 90 relating to the National Museums of Canada

Votes 95 and L100 relating to the Public Archives

Vote 25 relating to Information Canada

To the Standing Committee on External Affairs and National Defence:

Votes 1, 5, 10, L15 and 20 relating to the Department of External Affairs

Votes 25, 30, L35, and L45 relating to the Canadian International Development Agency

Vote 50 relating to the International Joint Commission

Estimates 1972-73

Votes 1, 5, 10, 15, 20, 25 and 30 relating to the Department of National Defence

Vote 35 relating to Defence Construction (1951) Limited

To the Standing Committee on Justice and Legal Affairs:

Vote 1 relating to the Department of Justice

Vote 5 relating to the Law Reform Commission of Canada

Vote 10 relating to the Tax Review Board

Vote 1 relating to the Department of the Solicitor General

Votes 5, 10 and 15 relating to Correctional Services

Votes 20 and 25 relating to the Royal Canadian Mounted Police

To the Standing Committee on Labour, Manpower and Immigration:

Vote 1 relating to the Department of Labour

Vote 5 relating to the Unemployment Insurance Commission

Votes 1, 5, 10, 15 and 20 relating to the Department of Manpower and Immigration

Vote 25 relating to the Immigration Appeal Board

To the Standing Committee on Regional Development:

Votes 1, 5, 10, L15, L20, L25 and L30 relating to the Department of Regional Economic Expansion

Votes 35, 40 and 45 relating to the Cape Breton Development Corporation

To the Standing Committee on Transport and Communications:

Votes 1 and 5 relating to the Department of Communications

Vote L10 relating to the Canadian Overseas Telecommunication Corporation

Votes 1 and 5 relating to the Post Office

Votes 1, 5, 10, L15, 20, 25, 30, L35, 40, 45, 50, 55 and 60 relating to the Department of Transport

Vote 65 relating to the Atlantic Pilotage Authority

Vote 70 relating to the Canadian National Railways

Votes 75 and 80 relating to the Canadian Transport Commission

Vote 85 relating to the Great Lakes Pilotage Authority

Vote 90 relating to the Laurentian Pilotage Authority

Votes 95, 100 and L105 relating to the National Harbours Board

Vote L110 relating to Northern Transportation Company Limited

Vote 115 relating to the Pacific Pilotage Authority

Votes 120, L125 and 130 relating to the St. Lawrence Seaway Authority

To the Standing Committee on Finance, Trade and Economic Affairs:

Votes 1, 5, and 10 relating to the Department of Finance

Vote 20 relating to the Department of Insurance

Vote 25 relating to the Tariff Board

Votes 1, 5, 10, L15, 20, 25, 30 and L35 relating to the Department of Industry, Trade and Commerce

Vote 40 relating to the Standards Council of Canada

Vote 45 relating to Statistics Canada

Vote 20 relating to the Economic Council of Canada

Votes 1 and 5 relating to the Department of National Revenue

To the Standing Committee on Fisheries and Forestry:

Votes 1, 5, 10, 15, 20 and 25 relating to the Department of the Environment

To the Standing Committee on Health, Welfare and Social Affairs:

Votes 1, 5, 10, 15 and 20 relating to the Department of Consumer and Corporate Affairs

Vote 25 relating to the Prices and Incomes Commission

Votes 1, 5, 10, 15, 20, 25, 30, 35, 40 and 45 relating to the Department of National Health and Welfare

Votes 50 and 55 relating to the Medical Research Council

Votes 1 and 5 relating to the Ministry of State for Urban Affairs

[Mr. Speaker.]

Votes 10 and L15 relating to Central Mortgage and Housing Corporation

Votes 20, 25 and L30 relating to the National Capital Commission

To the Standing Committee on Indian Affairs and Northern Development:

Votes 1, 5, 10, L15, L16, 20, 25, 30, L35, L40, L45, L50, L55, L60, 65, 70 and 75 relating to the Department of Indian Affairs and Northern Development

Vote L80 relating to the Northern Canada Power Commission

To the Standing Committee on National Resources and Public Works:

Votes 1, 5, L10 and 15 relating to the Department of Energy, Mines and Resources

Votes 20 and 25 relating to the Atomic Energy Control Board

Votes 30, 35, L40, L45, and L50 relating to Atomic Energy of Canada Limited

Vote L55 relating to Eldorado Nuclear Limited

Vote 60 relating to the National Energy Board

Votes 1, 5, 10, 15, 20, 25, L30, 35 and 40 relating to the Department of Public Works

To the Standing Committee on Privileges and Elections:

Vote 10 relating to the Chief Electoral Officer

To the Standing Committee on Veterans Affairs:

Votes 1, 5, 10, 15, 20, 25, 30, 35, 40, 45, 50, and 55 relating to the Department of Veterans Affairs

To the Standing Committee on Miscellaneous Estimates:

Vote 15 relating to the Auditor General

Vote 1 relating to the Governor General and Lieutenant Governors

Votes 1 and 5 relating to the Privy Council Office

Vote 15 relating to the Commissioner of Official Languages

Vote 25 relating to the Public Service Staff Relations Board

Vote 1 relating to the Ministry of State for Science and Technology

Vote 5 relating to the Science Council of Canada

Vote 105 relating to the Public Service Commission

Votes 1, 5 and 10 relating to the Department of Supply and Services

Vote 15 relating to Canadian Arsenals Limited

Vote 20 relating to the Canadian Commercial Corporation

Votes 1, 5, 10, 15 and 20 relating to the Treasury Board

Votes 25, 30 and 35 relating to the National Research Council of Canada

To the Standing Committee on Procedure and Organization:

Vote 1 relating to the Senate

Vote 5 relating to the House of Commons

Vote 10 relating to the Library of Parliament

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

Some hon. Members: Agreed.

Motion agreed to.

* * *

GRAIN

TABLING OF REPORT ON SALE OF WHEAT TO U.S.S.R.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, pursuant to Standing Order 41(2) I wish to table copies in both official languages of a report to the House of Commons on the sale of Canadian wheat to the U.S.S.R.

ROYAL CANADIAN MOUNTED POLICE

CHANGING OF NAME—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O.43

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, pursuant to Standing Order 43 I ask unanimous consent of the House to propose a motion concerning a matter of urgent and pressing necessity. I refer to the concern of Canadians from coast to coast over changing one of the few Canadian content institutions in Canada, namely, the continentalization of the Mounties by changing "RCMP" to "Police". Therefore I move, seconded by the hon. member for Dartmouth-Halifax East (Mr. Forrestall):

That (1) in view of the expressed concern of thousands of Canadians from coast to coast,

(2) and the confused and incredible explanations from the Solicitor General, and

(3) in the light of the provocative remarks of the Prime Minister over the weekend, that this House refer this matter immediately to the Standing Committee on Justice and Legal Affairs so that the facts may be defined with clarity, and responsibility for this surreptitious act assessed accordingly.

Mr. Speaker: I think that the Chair might have procedural reservations as to the form of the motion proposed by the hon. member. I have indicated to hon. members on a number of occasions that the explanations given in support of motions under Standing Order 43 should be limited to the question of urgency and should not include argument. But I will ask hon. members whether there is unanimous consent under Standing Order 43?

• (1110)

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity and the motion cannot be put.

* * *

NATIONAL ANTHEM BILL

DESIGNATION OF "O CANADA"

Hon. Gérard Pelletier (Secretary of State) moved for leave to introduce Bill C-158, respecting the national anthem of Canada.

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

Mr. Speaker: I might mention, before asking the House when the bill is to be read the second time, that this bill includes a schedule which carries not only the words but the music of the proposed national anthem.

Some hon. Members: Sing it.

Mr. Speaker: It is suggested that the Chair should sing it, but this might appear to be an unusual precedent. Basically, I see nothing wrong, not about the Chair singing the schedule but that the schedule should include not only words but also music. In any event, I will inquire from the House when the said bill should be read the second time, at the next sitting of the House?

Some hon. Members: Agreed.

Inquiries of the Ministry

ORAL QUESTION PERIOD

THE CANADIAN ECONOMY

GOVERNMENT POSITION REGARDING UNEMPLOYMENT RATE AND JOB AVAILABILITY—UNEMPLOYMENT INSURANCE PAYMENT DELAYS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the right hon. Prime Minister which arises out of the satisfaction he expressed over the weekend about the performance of the Canadian economy. Is the persistence of seasonally adjusted unemployment at 6 per cent or more for the last two years regarded by his government as an example of good and progressive government, and can we now take it that this rate of unemployment is considered to be a satisfactory performance?

Right Hon. P. E. Trudeau (Prime Minister): The answer to both questions is no, Mr. Speaker.

Mr. Stanfield: Perhaps I might then ask the Prime Minister whether, in the course of his visit to Sudbury, he was able to discover the existence of many more jobs, in particular whether he was able to place in new employment any of the 3,695 persons registered as unemployed in the Sudbury manpower office?

Mr. Speaker: Order, please. I am sure the Leader of the Opposition will appreciate that this kind of question may be good debate but it is certainly not procedurally in order. I would think that that comment might have applied to the first question also.

Mr. Stanfield: I rise on a point of order, Mr. Speaker. May I say, with every respect for you—and of course I will comply with your ruling—that the Prime Minister has been telling us about how many jobs are vacant in this country, and I thought it might be a matter of intense interest to the House to know whether he discovered any more vacant jobs when he was in Sudbury over the weekend.

Mr. Trudeau: On the same point of order, I should remind the hon. member that I was saying that last fall, at which time INCO was hiring 700 new workers. So at the time I was saying it they were obviously looking for 700 new workers. I do not see any contradiction with the reality at the time I said it.

An hon. Member: Where were you, Bob?

Mr. Stanfield: The right hon. gentleman has been saying it much more recently than that, Mr. Speaker. I should like—

Mr. Trudeau: When?

Mr. Stanfield: Much more recently than last fall.

An hon. Member: Be specific.

Mr. Stanfield: I shall be happy to do the research myself, Mr. Speaker.

Mr. Speaker: Order, please. I think that what I pointed out a moment ago is verified by the subsequent exchange

between the right hon. gentleman and the hon. Leader of the Opposition. This is obviously debate and has very little to do with what should be the question period.

Mr. Stanfield: Yes, Mr. Speaker, but sometimes it is necessary to keep everybody honest. In view of the questions that have been raised in the House since the opening of the new session of Parliament about the performance of the Unemployment Insurance Commission, will the Prime Minister tell us whether he has taken any steps himself to intervene to clear up the delays and the suffering that has resulted to the unemployed as a result of those delays? As the minister is in hospital, has the Prime Minister himself taken any action?

Mr. Trudeau: Mr. Speaker, I discussed this with the minister before he went into hospital and I considered the action he was taking at that time which has been pursued since in the department under the direction of the very able parliamentary secretary.

* * *

TAXATION

REASONS FOR REMISSION OF SALES TAX TO GREAT CANADIAN OIL SANDS LIMITED

Mr. David Lewis (York South): Mr. Speaker, I should like to direct a question to the Minister of Finance who appears to think he is still Minister of Justice. Some days ago I inquired of the President of the Treasury Board about the remission of $6 million to Great Canadian Oil Sands Limited by Order in Council pursuant, it was said in the order, to section 17 of the Financial Administration Act. The last time I asked the question the President of the Treasury Board said that the Minister of Finance would inform the House of the basis on which that generous remission of money to a company was made.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I understand that my predecessor has already made a statement on this matter outside the House. However, to answer formally in the House the question put to the President of the Treasury Board by the hon. member for York South, may I say I have looked into the matter and have to report that feasibility studies, planning and preparation for this major project of building and equipment by Great Canadian Oil Sands to extract oil from the Alberta tar sands, were completed before the sales tax was first imposed on June 14, 1963. Construction of the plant was not completed and production did not commence until after June 2, 1967, when production equipment was again exempted from the sales tax. The company has incurred serious financial losses since the outset of production and therefore sought remission of sales tax which had not applied when their plans were being drawn up and was later withdrawn across the country after the plant was finished. Although the company sought remission of all federal sales tax on buildings, plant and equipment, remission was granted only in respect of production equipment.

Mr. Lewis: As I understand it, the Financial Administration Act provides that the Governor in Council, on the recommendation of the Treasury Board, whenever he considers it in the public interest may remit any tax, fee or penalty. Would the Minister of Finance indicate briefly to the House what public interest, aside from the interest of a corporation that had some argument, was served to justify the government taking steps under the Financial Administration Act to remit $6 million to a single company, and would that be available to an individual taxpayer who suffered the same kind of hardship?

• (1120)

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I think the hon. member knows that remission is given under the Financial Administration Act from time to time and that it is not unusual. He has asked what special circumstances existed here. I said that the sales tax had not originally applied when the plans and feasibility studies for the plant were drawn up and construction commenced, and by the time the plant had been completed and production had begun the sales tax was off. I think that probably in the mind of the government at the time the public interest involved a major pioneer project for extracting oil from the Alberta tar sands, something which may be invaluable to this country in the years ahead.

Mr. Lewis: Mr. Speaker, I did not ask the minister what special circumstances there were, because the act does not talk about special circumstances. It says that the government has the right to do this only when the public interest is involved. Is that kind of remission of tax given to any corporation that happens to be dealing with something which may be valuable to the country, for example, in the field of mining, steel, oil or any other activity that is of value to the country? Is that the way the government interprets the public interest, the remission of public money to a single corporation?

Mr. Speaker: Order, please.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I do not think the rules are wide enough for us to debate at present the interpretation of the Financial Administration Act. I am suggesting to the hon. member that the minister at the time and the government felt that in this particular case it was in the public interest to allow the remission.

Hon. Robert L. Stanfield (Leader of the Opposition): I have a supplementary question, Mr. Speaker. Are there other, similar applications for remissions now pending?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I would have to look into that.

Mr. Donald MacInnis (Cape Breton-East Richmond): A supplementary question, Mr. Speaker. While the minister is explaining the $6 million remission, would he also take it upon himself to explain to the House the write-off given to the Montreal Expos baseball team?

Mr. Speaker: The hon. member for Skeena.

Mr. MacInnis: That involves $9 million.

Mr. Frank Howard (Skeena): A supplementary question, Mr. Speaker. In the public interest, would the Minister of Finance mind taking steps to ensure that rebates of sales tax are made to all municipalities, school districts and regional districts? That is something the minister could

really do in the public interest. Would he also mind telling us whether the group to which he belongs in a political sense anticipates any income from this rebate of $6 million?

Mr. Speaker: Order, please.

* * *

[*Translation*]

MANPOWER

LOCAL INITIATIVES PROGRAM—REFUSAL TO ACCEPT PROJECTS APPROVED BY QUEBEC GOVERNMENT

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, in the absence of the hon. Minister of Manpower and Immigration, I shall address my question to his parliamentary secretary. Here it is.

May I ask why officials of the Department of Manpower and Immigration in charge of the Local Initiatives Program give no reason for their rejection when a municipality presents a reasonable project which has previously been approved by the province of Quebec?

[*English*]

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, it may be possible at some later date to obtain and make available evaluation of the various projects. I think the hon. member should be aware however, that there has been an overwhelming number of application and the first order must be to get people to work and to get projects approved.

[*Translation*]

Mr. Lambert (Bellechasse): I understand that the main objective is getting people to work. That is why I am concerned. Several municipalities submitted really reasonable projects, for work which will not melt away with the snow—

Mr. Speaker: Order. Does the hon. member want to put his supplementary question?

[*English*]

I have the impression that a number of the questions asked earlier today, as well as the one just asked by the hon. member for Bellechasse, are more in the form of debate. I sometimes wonder whether the kind of question in which an hon. member asks why such a decision was taken, or for an explanation of a certain action on the part of the government, is in order because it usually gives rise to debate. In any event—

[*Translation*]

LOCAL INITIATIVES PROGRAM—AVAILABILITY OF ADDITIONAL FUNDS

Mr. Speaker: In any event, the hon. member could perhaps put his supplementary.

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, does the Department of Manpower and Immigration still have funds available to justify the approval of certain municipal projects?

[*English*]

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, when we talk in terms of credits being available, we should remind ourselves that there is not enough money left in the winter works program to satisfy all of the applicants. As I said on Friday, to this date almost 90,000 new jobs have been provided in Canada, exceeding all estimates.

LOCAL INITIATIVES PROGRAM—SUGGESTED ALLOCATION OF ADDITIONAL FUNDS—FUTURE PRIORITY TO PROJECTS DISALLOWED

Mr. John Lundrigan (Gander-Twillingate): I have a supplementary question, Mr. Speaker. In view of the answer given by the parliamentary secretary and the question asked by the hon. member, can the parliamentary secretary indicate whether any consideration has been given to replenishing the funds available under that program and, in the event there has not, will the projects that have be disallowed been given any priority in future government programs?

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, the answer to the first question is that no further funds are contemplated in terms of extending the LIP program. Second, there are a number of magnificent projects which unfortunately could not be approved because of a lack of funds, but I cannot say whether they would be accorded priority in any following program.

* * *

ADMINISTRATION OF JUSTICE

RELEASE OF YVES GEOFFROY FROM ST. VINCENT DE PAUL PENITENTIARY—REPRESENTATIONS FOR NEW TRIAL—REQUEST FOR JUDICIAL INQUIRY

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I wish to direct a question to the Minister of Justice. Since the release and escape of Yves Geoffroy from St. Vincent de Paul Penitentiary, has anyone, any person in any capacity, approached you as Minister of Justice—

Mr. Speaker: Order, please. The hon. member should address his question to the Chair.

Mr. Woolliams: I am sorry, Mr. Speaker. Through you, Mr. Speaker, has any person approached you as Minister of Justice—

Some hon. Members: Oh, oh!

Mr. Woolliams: —or any other minister of the Crown to your knowledge to apply either Section 617 of the Criminal Code of Canada or any other section of the code which entitles the Minister of Justice under certain conditions and according to a certain legal formula set out therein to direct a new trial or a new hearing before any court of the Geoffroy murder conviction?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, as far as the question refers to anyone approaching the minister directly, I can answer that in the negative. As far

as the question goes beyond that, I would have to take the question as notice.

Mr. Woolliams: May I direct a question to the Solicitor General. Since the release and escape of Yves Geoffroy from St. Vincent de Paul Penitentiary, has anyone, any person in any capacity, approached you as Solicitor General that you should ask and request—

Mr. Speaker: Order, please. I know it may be just a detail, but it is embarrassing for the Chair to remind hon. members that questions have to be addressed to the Chair and not directly to ministers.

Mr. Woolliams: Thank you very much. Has anyone approached you as minister—

Some hon. Members: Oh, oh!

Mr. Woolliams: Excuse me. Has anyone approached the minister to apply either Section 617 of the Criminal Code of Canada or any other section of the code which authorizes the Minister of Justice under certain conditions and according to a certain legal formula set out therein to direct a new trial or order a new hearing in relation to this murder conviction?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, someone who claimed to know where Mr. Geoffroy is suggested it to me. My reply was very simple: the laws of the country apply to every citizen. If Mr. Geoffroy wants to ask for a new trial, all he has to do is go directly to the Minister of Justice, and not through intermediaries, and give him the reasons why he should be granted a new trial.

[*English*]

Mr. Woolliams: A supplementary question. Maybe I will be better off without notes. Did the Solicitor General approach the Minister of Justice in relation to this matter and did they have a telephone conversation with a person along the lines of asking for a new trial in accordance with the terms and conditions of the code?

Mr. Speaker: Order, please. The minister can reply to whatever part of the question he chooses, but the hon. member knows it is somewhat difficult and irregular to ask whether conversations have taken place between ministers. The minister may reply to whatever part of the question he thinks he can or should reply.

[*Translation*]

Mr. Goyer: Mr. Speaker, I think that my answer has been very clearly to the effect that if Mr. Geoffroy felt that a new trial was required, it was up to him rather than his intermediaries to communicate directly with the Department of Justice. But I have had no discussion in this regard with anyone, and as for senseless suggestions, even the opposition is providing me with some.

• (1130)

[*English*]

Mr. Woolliams: In light of the fact that people have apparently approached the Solicitor General and in light of the fact that the hon. gentleman said at one stage, not only here but on television, I believe, that if there were any irregularities or illegalities he would be very pleased, as far as he was concerned, to initiate a judicial inquiry into this matter, is the minister prepared to do this now, particularly in light of the fact that a passport was obtained through forgery?

[*Translation*]

Mr. Goyer: Mr. Speaker, the hon. member is floundering about with his information but, anyway, there is nothing illegal or irregular. Someone asked whether there might be a new trial, and I have simply answered that the laws of this country applied to all individuals. I do not think that there is anything illegal in this. Perhaps the hon. member has something illegal in mind, however.

[*English*]

Mr. Woolliams: Did the minister set out any terms and conditions to the person who made that inquiry and suggestion as to what should happen with reference to the power of the Minister of Justice to grant a new trial in accordance with the terms and conditions of the Criminal Code?

[*Translation*]

Mr. Goyer: Never, Mr. Speaker, in any way.

[*English*]

RELEASE OF YVES GEOFFROY FROM ST. VINCENT DE PAUL PENITENTIARY—DISCLOSURE OF INFORMATION ON PASSPORT IN RELATION TO PUBLIC INTEREST

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a supplementary for the Prime Minister arising out of the charge that the opposition has been interfering with the search for Yves Geoffroy and the suggestion that somehow the Opposition learned that Mr. Geoffroy was travelling on a false passport. In view of the fact that this information was disclosed in the House by the Secretary of State for External Affairs, I should like to ask the Prime Minister whether he considers this to be contrary to the public interest and whether the Secretary of State for External Affairs conferred with the right hon. gentleman as Prime Minister before disclosing that information in the House?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I did discuss the question with the Secretary of State for External Affairs and with the Solicitor General, and when it became obvious that the opposition knew something about a false passport we asked ourselves—

Some hon. Members: Oh, oh!

Mr. Trudeau: I do not see what all the groans are about. The Secretary of State for External Affairs did not stand up in the House and volunteer the statement that there was a false passport. He was asked whether there was one, and he was then in the position of having either to deny it and thereby tell an untruth or to admit it and harm the investigation by the police. He had this hard choice to make, and he decided to tell the truth.

An hon. Member: It is not hard to tell the truth.

Mr. Trudeau: An hon. member says it is not hard to tell the truth. Of course it is not. But it would have been better

from the point of view of the police had it not been broadcast throughout Canada and the world that Mr. Geoffroy was travelling on a false passport.

Mr. Stanfield: May I ask the right hon. gentleman when it became obvious that the opposition knew a false passport had been issued in connection with Mr. Geoffroy prior to the Secretary of State disclosing this information in the House?

Mr. Trudeau: Yes, Mr. Speaker. I do not have the date at hand but I will check it. When the hon. member for Calgary North asked the question about the issuance of a false passport the matter had already been discussed between the minister and myself. I shall check the date and in what way it became apparent that the opposition knew there was such a false passport.

Mr. Stanfield: On a point of order, Mr. Speaker, the question asked by my hon. friend from Calgary North was directed to the Secretary of State for External Affairs on February 23. The relevant part of the question reads:

Can the minister tell us, first, whether Geoffroy possessed a passport and, second, whether it was issued prior to his release from the penitentiary or later.

The Secretary of State for External Affairs then replied:

Our records show that no passport has been issued to Geoffroy in his own name. A search of the files in the passport office conducted by the RCMP subsequent to Geoffroy's escape from custody indicated that a passport was acquired for him earlier under an assumed name—

My point is that the information was disclosed by the Secretary of State for External Affairs. I think it was proper that it should have been disclosed. I think it is absurd for the Prime Minister to impute wrongful motives to the opposition.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please.

* * *

THE CANADIAN ECONOMY

POSSIBLE INDICATORS OF FORTHCOMING POLICIES ON FOREIGN INVESTMENT AND INDUSTRY—RETROACTIVE LEGISLATION CONCERNING TAKEOVERS

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I should like to address a question to the Prime Minister. In view of statements recently made by the Prime Minister in North Bay that no effort should be made to "buy back Canada" because, in his words, we would have no money left for the future of Canada, and that "we must have an industrial policy to buy into the future," may I ask the right hon. gentleman to tell the House whether or not these statements are indicative of the content of the, hopefully, forthcoming government policy on foreign ownership and the government's decision to elaborate a Canadian industrial policy?

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

Mr. Rose: I thank the Prime Minister for being revealing, as usual. Is he aware of the fact that yet another Canadian company, the Jelinek skate manufacturing firm in Oakville, has been obliged to sell to United States interests because of its failure to secure needed capital from government sources or from Canadian chartered banks? Would the Prime Minister indicate whether the intended legislation concerning domestic control of the national economic environment will be retroactive to redress takeovers of Canadian companies by foreign interests in the interim?

Mr. Trudeau: As to the first part of the question, the answer is no. As to the second part, the hon. member will have to await a statement.

* * *

[*Translation*]

MANPOWER

LOCAL INITIATIVES PROGRAM—REFUSAL OF CERTAIN PROJECTS—AVAILABILITY OF ADDITIONAL FUNDS

Mr. Roland Godin (Portneuf): Mr. Speaker, I would like to direct a question to the Parliamentary Secretary to the Minister of Manpower and Immigration.

As regards those municipalities which have not received to this date any reply in respect of projects already submitted some time ago, would the parliamentary secretary tell us if there are enough funds still to be allocated by the department for these municipalities to expect a favourable reply in the near future?

[*English*]

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, it can only be said that as of Friday afternoon $4 million remained to be allocated. This does not mean to say there are not many more applications for that money than there is money available.

* * *

ROYAL CANADIAN MOUNTED POLICE

CHANGING OF NAME

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Prime Minister. Would the Prime Minister explain to the House why it is that the government, on the one hand, is taking steps to preserve the bricks and mortar of our history by introducing a bill entitled Heritage Canada while at the same time it is eroding the symbols of our history by removing such things as the historical symbol "RCMP" from the buildings and cars of that force?

Mr. Speaker: Order, please. That is the kind of question to which I was taking objection a few moments ago. It is an argument. When an hon. member asks a member of the government to explain why this or that has taken place, it amounts to debate. It is not a question which is acceptable as to form during the question period.

Inquiries of the Ministry

Mr. Hees: May I phrase it in another way? Has the Prime Minister taken into consideration the fact that English-speaking Canadians are just as proud of the symbols connected with their history as French-speaking Canadians are of theirs? We respect their symbols. Stop eroding ours.

Mr. Speaker: Perhaps the Prime Minister might be allowed to answer that question, but again I have to take objection as Speaker to that type of question. It is really a speech. It is not a question at all. If hon. members take advantage of the question period to put forward arguments, that is certainly not in conformity with the spirit of the question period or what it ought to be.

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CANADIAN CONSTITUTION

RE-ESTABLISHMENT OF JOINT COMMITTEE—FURTHER EFFORTS TO AMEND

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Prime Minister. Does the government intend to reconstitute the special committee on the constitution so that the committee's report may be presented and discussed during the session?

Right Hon. P. E. Trudeau (Prime Minister): The committee will, we hope, be reconstituted so that it will be able to table its report in the House.

Mr. Dinsdale: In light of the gradual disbanding of the secretariat that has handled the federal-provincial constitutional conferences, has the government decided not to undertake another effort to develop a new constitution?

Mr. Trudeau: The hon. member knows the circumstances in which the secretariat was reduced in size. Something happened at Victoria, British Columbia, last June which brought this particular phase of the constitutional debate to a dead end until the province of Quebec indicates that it can advance the discussion in some way. There has been no indication from Quebec that it is prepared to do so.

• (1140)

SUGGESTED PROVISION FOR SENATORS FROM YUKON AND NORTHWEST TERRITORIES

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a supplementary question for the Prime Minister. In view of the favour with which the suggestion was viewed by the joint committee, would the government consider taking under its own sponsorship the private member's bill I have on the order paper which would create a senatorship for the Yukon and one for the Northwest Territories, and bringing this bill before the House as soon as possible?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will look at the bill; I was unaware of its existence.

[Mr. Speaker.]

GRAIN

CONTINUATION OF ACREAGE PAYMENT SUBSIDY ON WHEAT—PERMANENT TWO-PRICE SYSTEM

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, may I address a question to the minister in charge of the Wheat Board. In view of the minister's statement last Friday that a subsidy payment is to be made to western farmers on an acreage basis, can he inform the House whether this is to be a continuing subsidy in future years, and is action planned during this session to bring in legislation to make it a permanent feature of government policy?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the announcement I made indicated that the payment for this year would be on a basis related to acreage in order to avoid distortions in production. At the same time I announced that discussions would be held with the producers about ways of making payments in future, payments which are intended to be made. This matter will come before the House, of course, but for this session likely in the form of an estimate.

Mr. Gleave: Can the minister tell the House whether the government has under consideration a two-price system for wheat in western Canada that can be set up on a permanent basis?

Mr. Lang: Mr. Speaker, that is one of the objectives of the further discussions with producer organizations, several of whom have made suggestions to the effect that the money involved should be used for such things as a stabilization plan. Certainly government policy is clear. The policy has been announced for time to come, not just for one year, but the exact formula for handling the system remains to be developed with the producers.

TWO-PRICE SYSTEM FOR WHEAT—METHOD OF CALCULATING PAYMENTS

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, in light of the minister's refusal the other day to provide the information, may I ask him whether the calculation is going to be made on the basis of the closing of the pool accounts of the Wheat Board or will it be calculated as at the end of the crop year?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the calculation for the first payment is planned to be made on the basis of an estimate of the amount of wheat consumed by Canadians in the course of the year. The figures for the 1971 year are likely to be used as the basis for that estimate, with adjustments on the basis of later figures to be calculated when a subsequent payment is made a year later.

USE OF INLAND TERMINALS TO ACCUMULATE AND CLEAN GRAIN TO FACILITATE LOADING ON SHIPS AT VANCOUVER

Mr. Jack Murta (Lisgar): Mr. Speaker, may I ask the minister responsible for the Wheat Board, in view of the question posed to him last week on the tie-up of grain on the west coast, what steps are being taken to utilize more fully the inland grain terminals on the Prairies for

accumulating and cleaning grain to be shipped ultimately to the west coast?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I am happy to report that there are fewer ships waiting at the moment, quite significantly fewer than when the question was first asked. The Wheat Board, as I indicated, is examining a whole variety of techniques for improving the throughput at Vancouver with the existing system. As the hon. member may know, the other day I was looking at some new cleaning equipment which appears as though it may be pretty exciting in terms of making the inland terminals more effective.

Mr. Murta: A further supplementary, Mr. Speaker.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Lisgar for a last supplementary before going to the next question, since we will be running out of time in less than ten minutes.

Mr. Murta: Thank you, Mr. Speaker. May I ask the minister what plans are being made, if any, to allow the producers to deliver grain directly to these terminals; and would the minister also give the House the total amount of unloadings per day at Vancouver, which I believe are down considerably from 800 carloads?

Mr. Lang: Mr. Speaker, the question of direct unloadings by farmers into the terminals is one that is being examined by the Wheat Board in order to try to use the terminals more effectively. The Canada Grain Commissioners have in hand information regarding the unloading capacity of the various terminals on the Prairies, from a technical point of view and if other problems can be solved this unloading could be resorted to fairly quickly.

The number of unloadings has varied significantly during the last four or five days; but it is difficult to judge, taking this alone, because unless the size of the car involved is known this may be a little misleading. However, I will get a further, more comprehensive report for the hon. member.

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REGIONAL ECONOMIC EXPANSION

CLOSING OF CARLETON PLACE FACTORY BY BELANGER-TAPPAN LIMITED—INQUIRY AS TO GRANT FOR MONTMAGNY PLANT

Mr. Murray McBride (Lanark-Renfrew-Carleton): Mr. Speaker, I have question for the Minister of Regional Economic Expansion. In view of the announcement on Friday last by Belanger-Tappan Limited that they propose to close their Carleton Place plant known as Findlay's Limited in the very near future and to concentrate their production at the Montmagny plant in the province of Quebec, has this company received any federal assistance from the Department of Regional Economic Expansion to create, improve or enlarge this company's facilities at Montmagny?

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, the answer is no, and there is no relationship between what is going on at Montmagny and the closing of the Findlay plant at Carleton Place.

Mr. McBride: Mr. Speaker, I have a supplementary question for the minister. Are we to take it that no application for a grant is at present before the department, as well as no grant having already been provided?

Mr. Marchand (Langelier): At present there is no application from the company, Mr. Speaker.

NUMBER OF JOBS CREATED STILL IN EXISTENCE—PLANT RELOCATIONS

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a supplementary question for the minister. In light of that question, would he now undertake to make an analysis of the applications and grants that have been made under the Regional Development Incentives Act in order to determine how many of the estimated jobs to be created are still in existence, and what plants have been relocated, thus causing closedowns in other areas?

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, this information appears in the document that is tabled in this House every month. If the hon. member knows how to read he will be able to stop citing figures that are wrong.

Mr. McGrath: That is not right and you know it. That document contains nothing except a couple of pious hopes.

Mr. Marchand (Langelier): If you cannot understand it, ask someone to explain it to you.

Mr. Speaker: Order, please.

RELATIONSHIP OF LINGUISTIC POLICY TO PROVISION OF AID TO POORER REGIONS

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, I have a question for the Prime Minister. Does the government subscribe to the statement made by the Secretary of State at Laurier over the weekend that acceptance of the linguistic policy of the government and aid to the poorer regions are a package deal, and that if Moncton did not get in line with its linguistic policies the federal government might sulk at them?

Mr. Speaker: The hon. member for Annapolis Valley.

Mr. Bell: Mr. Speaker—

Mr. Speaker: Order, please. The hon. member knows that he can ask about a statement made outside the House only in relation to statements made by ministers. He may inquire of the Prime Minister whether a statement made by one of his ministers outside the House represents government policy, but I did not understand that that was the way the question was asked in this case.

Mr. Bell: I thought the word "subscribe" meant the same thing, Mr. Speaker, but may I direct a question to the Secretary of State. When the minister made this speech did he know whether the federal government would be

treating Moncton less favourably than others because of its linguistic policy?

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I think I was just stating the obvious. I was saying that no one could, in a federal system such as ours, take the advantages and refuse the obligations.

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BROADCASTING

CABLEVISION AND EDUCATIONAL TELEVISION—INQUIRY AS TO CONFERENCE WITH PROVINCES ON JURISDICTIONAL PROBLEM—FEDERAL POLICY

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is also directed to the Secretary of State and concerns the federal system. In view of continuing discussions on the subject of jurisdiction over cablevision and educational television, does the minister intend to call in the very near future a federal-provincial conference of responsible ministers across the land to discuss this problem, or is the minister going to continue to have unilateral correspondence with just a few of the ministers?

• (1150)

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I find that the accusation implied in the hon. member's question is unjustified. I have travelled all across Canada from Newfoundland to Vancouver, in order to ascertain that discussions are not restricted to one or two ministers concerned, and to meet all the provincial ministers with regard to these problems. All I can say in reply to the hon. member is to repeat my statement that the premise on which his question is based is inaccurate.

[*English*]

Mr. Nowlan: If there was any imputation, I do apologize, but in view of what the Prime Minister said over the weekend about malicious intent and phony baloney I suppose I got carried away with my question. I will direct a supplementary question to the Secretary of State. In view of the discussions he says he has had with all responsible ministers across the country, is he now prepared and ready to define federal policy vis-à-vis cablevision and also with regard to educational television?

[*Translation*]

Mr. Pelletier: Mr. Speaker, I think that the hon. member should be more conversant with the facts. The federal government has unequivocally and repeatedly clarified its position.

[*English*]

Mr. Nowlan: I have a further supplementary question, Mr. Speaker.

Mr. Speaker: Order, please. The hon. member may ask a last supplementary question. There are two minutes left before the end of the question period.

Mr. Nowlan: This is an important question and I know you appreciate that, Mr. Speaker, and I hope the Secretary of State does. Can we assume from his last answer that there has been agreement with the provinces of Quebec, Alberta and Ontario on the federal authority over cablevision and that that is a definitive policy about which we have not yet heard but which has been defined?

[*Translation*]

Mr. Pelletier: This question is further proof that the hon. member is ill-informed.

* * *

[*English*]

HEALTH

PROPOSED PAYMENT BY GOVERNMENT OF HOSPITAL AND MEDICAL CARE PREMIUMS FOR ALL INDIANS

Mr. John Burton (Regina East): Mr. Speaker, I wish to address a question to the right hon. Prime Minister in the absence of the Minister of National Health and Welfare. Is the government considering the problems created as a result of differences in the way hospital and medical care premiums are paid on behalf of the Indian people in various provinces, and is the government considering taking steps to pay the health taxes on behalf of all Indians as is the case in Alberta?

Apparently the Prime Minister did not hear my question which was addressed to him in the absence of the Minister of National Health and Welfare. I will repeat it since apparently he did not hear it the first time. Is the government considering the problems created as a result of differences in the way that hospital and medicare premiums are paid on behalf of Indian people in various provinces, and is the government considering taking steps to pay the health taxes on behalf of all Indians as is the case in Alberta?

Right Hon. P. E. Trudeau (Prime Minister): I will be glad to take notice of the question on behalf of the minister.

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THE CANADIAN ECONOMY

GOVERNMENT POSITION REGARDING UNEMPLOYMENT RATE AND JOB AVAILABILITY

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister whether the statement he made at the Costi Italian Educational Centre in Toronto on January 21, 1972, not last autumn, still represents the view of the government, namely:

> In most parts of Canada there are many, many jobs offered which are not being taken.

Right Hon. P. E. Trudeau (Prime Minister): Is there any mention of Sudbury in that question?

Mr. Stanfield: Sudbury?

Some hon. Members: Oh, oh!

Mr. Trudeau: That was your God-damned question.

Some hon. Members: Oh, oh!

Mr. Hees: You said you had not said it.

Mr. Speaker: Order, please. Is the hon. member rising on a point of order?

Mr. Lundrigan: I rise on a point of order. In view of the controversy several months ago regarding a similar incident in the House of Commons as the one which has just occurred and the fact that it was not officially recorded in *Hansard*, is there any procedure by which we may inquire whether the remark of the Prime Minister in an official response by him to the Leader of the Opposition has in fact been recorded in the official record of the proceedings of the House of Commons?

Mr. Speaker: The hon. member will have to wait until tomorrow and read *Hansard*.

* * *

ELECTIONS

OBSTACLES TO INTRODUCTION OF LEGISLATION DEALING WITH EXPENSES

Mr. David Lewis (York South): Mr. Speaker, I want to address a question to the Prime Minister arising out of a report that he stated in Sturgeon Falls he was in favour of reform of election expenses but that there were practical obstacles to getting that reform through parliament. Would the Prime Minister inform the House what were the practical obstacles which prevented him from introducing legislation since June, 1968, on this matter?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member knows that the government has introduced many items which have died on the order paper and have not been passed because of lack of time and obstruction from the opposition, and this is one of them.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The chair will allow the hon. member a last supplementary question and then call orders of the day because we have run out of time.

Mr. Lewis: Mr. Speaker, may I ask the Prime Minister whether, in view of the fact he stated back in 1968 that to him the matter of election expenses was, and I use his words, "a top priority", in view of the fact that reference to it was made in three successive throne speeches, and in view of the fact that his statement about opposition obstruction is typical misrepresentation of the facts, he will tell the House what prevented him from introducing such legislation except the fact that he was not prepared to carry through his promise?

Mr. Speaker: Order, please. This is obviously argument and not a supplementary question. The Chair has to call orders of the day.

Mr. MacInnis (Cape Breton-East Richmond): I rise on a point of order at this time because of an urgent and important question which I must ask of the minister with respect to Devco. I feel that time to ask that question has been denied me because of the profanity used by the Prime Minister which caused a loss of time to the House.

Mr. Speaker: Order, please. Orders of the day.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed, from Friday, February 25, consideration of the motion of Mr. Ross Whicher for an Address to His Excellency the Governor General in reply to his speech at the opening of the session and the amendment thereto of Mr. Alexander (p. 212).

[*Translation*]

Mr. Jean-L. Rochon (Ahuntsic): Mr. Speaker, I have listened very attentively to the remarks made since the opening of this session by all those who contributed to the debate on the Address in Reply to the Speech from the Throne.

According to their political affiliation, some have approved it without any reservation whatsoever; others found it incomplete and many, without disapproving it completely, would have liked to see in it a clearer expression of the feelings they have toward those they represent in the House. If you look more closely, however, you realize—for this is very obvious—that all members, whether of the opposition or the government party, are animated with the same feeling: the same clear and unfailing desire, the same unequivocal determination to contribute to the well-being of Canadians.

Last December, addressing the whole world at Christmas, Pope Paul VI spoke in a way which must have made many people think in the days we live in, when our world is shaken by all kinds of crises, by civil and religious strife—a world which struggles with hardly any hope for the future because of hunger and the diseases which it causes and which turn people into human wrecks who can be freed by death only.

• (1200)

Those words of the Holy Father have given this world a glimmer of hope. We used to say—in my generation at least—when we were studying classics: "If you want peace, prepare war". But in our day of social unrest, of bloody strife, a voice rose to say to the world: "If you want peace, prepare justice".

Mr. Speaker, I will not be accused of exaggerating if I maintain that the action of this government, which I am proud to support, is to a large extent aimed in that direction. To be convinced of this—and in spite of what our opponents may say—one only has to look at both this government's past efforts and accomplishments and the plans for the future which it announces in the Speech from the Throne.

As far as I know, Mr. Speaker, we do not have a complete record of all the speeches made since 1867. Such a compilation would be interesting for various reasons, if only to provide a summary, so to speak, of the preoccupations of the various governments which have been in office over slightly more than a century.

Surely one thing would be obvious. One hundred years ago, those in power did not seem excessively social-minded. The way of thinking that prevailed in those days made them more trade-oriented than anything else. Their concern was more directed toward ensuring the wealth of the country in general or of the propertied class than that of the other sectors of society.

Our fathers did not take exception to differences in fortune which were much more shocking than presently. The government did not think of establishing a just society as this would have been considered if not strange at least unattainable.

However, it must be recognized that a century ago the poor adjusted themselves to their condition more readily than currently. Times have changed and the political history of the last 50 years is that of a slow emergence of what we might call the social concept.

More and more all our governments have given priority to these questions and legislation passed within the last few years bears witness to that. But this is a complex area and the search for justice, by its very nature, is an ever-recurring and never-completed operation.

Of course we can see actual progress but this will never correspond, whatever we do, to total and final success. But in this field, as in many others, you need not hope to undertake and need not succeed to persevere. Allow me to refer to the Speech from the Throne which we are currently debating, and I quote:

> In a period dominated by bigness, in an increasingly impersonal social system, one of the major challenges facing government is to remove the impression of isolation which so often surrounds men and women, depriving them of their sense of worth, of accomplishment, of fulfilment, and removing from them their identity as individuals.

This feeling of isolation, or to quote a fashionable expression widely used nowadays, of alienation is probably a new phenomenon. If we go back to the post-war years, when another liberal government laid the foundations of the social security program—one of the most comprehensive in the world—we enjoy today, we have the impression that our predecessors were sincerely convinced that a better distribution of wealth, while insuring that the underprivileged would be, as far as practicable, shielded from misery, would have simultaneously eradicated the deep root causes of social unrest.

But what is happening? We have noted that more than 25 years of relative peace and a quarter century of almost uninterrupted economic progress have not solved a great deal. We did not find it enough for us to guarantee to the economically weak the social benefits that would, at the same time, solve the problem of poverty. Indeed, Mr. Speaker, the word "poor" is almost new in our political jargon. When I was first elected to this House in 1962, it was hardly uttered. Now almost everyone mentions it, which is an indication, I think, that we are now conscious of the fact that it is not enough for a country to tackle the problems of its poors, but that it should strive to redeem their human dignity.

This is the political trend of the present government. Urgent economic necessities related, for instance, to defending, in the public interest, the integrity of our currency and the comprehensive review of our fiscal policy, should not be construed as a sign, even temporary, of negligence toward our social calling but, on the contrary, as the implementation of measures to reach that goal. In this regard, long excerpts from the Speech from the Throne could be quoted.

New national parks, the fight against unemployment, a better economic climate, the maintenance of stable prices, there are measures in which we must see as many aspects of a social policy, in its widest but also in its truest sense.

Mr. Speaker, the government was accused of encouraging unemployment in its fight against inflation. That accusation dishonours those who cast it. We may perhaps have achieved more success in the first instance than in the second. Price increases, in Canada, rank among the lowest recorded in the industrial countries of the world. This remarkable feat, for which the government should be congratulated, was of benefit to all citizens.

Inflation, Mr. Speaker, is a deeply rooted and demoralizing evil whose spreading effects spare no one. Unemployment is a more apparent scourge, more easily definable but surely terrible for its victims. However, experience has shown us that it is of a more temporary nature and that its effects are less protracted. We have already noted some improvement in that respect this winter in comparison with last winter and no doubt that through the economic incentive program which we have undertaken, it will be possible to lessen those effects, thanks especially to the new provisions of the Unemployment Insurance Act.

I have spoken about the tax reform, the fight against inflation and unemployment but I could deal at length with many other aspects of the government's administration. It is not exaggerated to say that Canada has led the way by taking various steps to protect the environment. Ours is one of the few countries with a Department of the Environment specially vested with this responsibility. However, even before the department was set up, we had already taken a great many measures to protect the purity of air, water and soil, such as the Clean Air Act, the ban on DDT and phosphates, the Canada Water Act, all measures introduced by this government and reflecting this vitally social concern.

We implemented the Opportunities for Youth program. We instituted studies on drugs, the results of which are now taking concrete legislative form. We created Manpower Centres specially geared to students, etc. Although this aspect of the government's activities may have given rise to criticisms, on the whole we can claim real achievements. We have also taken many steps to protect farmers, to defend the interests of the consumer and to broaden Canadian international action.

In almost every case, I will point out, we have had to do without the support of the opposition, for adoption of legislation on the marketing of farm products, for fiscal reform and many other measures which were required in Canada.

I shall now stop my enumeration of the various beneficial measures passed and implemented by a government which has demonstrated more concern with serving the best interests of the nation than with ensuring its popularity. It is true that, the more courage we have shown, the more hostility we have incurred from both labour and business circles. The fact that so many private interests have felt aggrieved confirms our feeling that we have protected the public interest.

Apart from all such matters, the Speech from the Throne announces truly new legislation. One measure, for instance, concerning up-to-date and flexible competition will not please everybody, but will be of benefit to our

country. New provisions with regard to income security may appear too generous to some, insufficient to others, but no matter, it is the general good that is sought.

Even though Canada may have more quality housing starts than almost all other countries in the world, it will always be said that it is not enough. This government has chosen to do its duty, all of its duty. Accordingly, it deserves to be encouraged and congratulated. Things cannot always be perfect. The government accepts criticism, but this criticism must be constructive. It will have been noted, doubtless, that since the beginning of this session, for lack of more serious subjects, the opposition refers only to issues such as the Geoffroy case or the alleged intention of removing the term "Royal" from the designation of the Royal Canadian Mounted Police. The right hon. Prime Minister (Mr. Trudeau), toward the end of last week, ansered these accusations as he was touring northern Ontario.

Mr. Speaker, I would rather not linger too long on this subject, but I can asy that the government's achievements arouse little enthusiasm on our opponents' part. This is understandable. It is even understandable that a certain part of the press, confusing the right to criticize with the duty to criticize, did not aspare it its reproaches. Fortunately, Canada has more objective and detached observers.

Reviewing, much as I have just done, the action of the government for the past few years, the *Journal de Montréal* on February 14 last published an article which stated in part:

> In these particularly difficult times, the government remains vigilant and active. It was able to solve problems overcome crises and it works more than ever to improve the living conditions of all Canadians.

It could not be stated better. But if the value of this evidence is suspected, perhaps one will be more impressed by that of *Le Devoir*, a paper which is not very sympathetic to the government, as is well known. In an article by its Ottawa correspondent who also reviewed the legislative action of the government, it was stated in conclusion:

> The government ensured the passing of many reformist acts of great importance, including the monumental tax reform bill and it succeeded as never before in keeping the attention of Canadians focussed on the central parliamentary institution.

Mr. Speaker, it seems to me that some measure of parliamentary reform, vehemently opposed by the opposition, will ensure that Parliament will now be able to act faster and better in the numerous fields in which it has to take action.

Nevertheless there is some contradiction in the fact that the very people who never stop asking that the government interfere in everything are not very competent themselves. Indeed, they spend their time reproaching the government with its slowness, its mismanagement and its idleness. But those are the very people who resist the most vehemently all attempts made by Parliament to facilitate sensible discussion of measures that often are vital for the public interest. The Canadian people are not taken in by that ambiguity and they will not believe that the government has trampled down the rights of Parliament, if I may use an expression often used by hon. members of the opposition. On the contrary, they are grateful to it for having taken measures to allow the representatives of the people to express themselves in an absolutely democratic way, that is in giving them the opportunity to take a vote on the proposals submitted to them.

Mr. Speaker, I would be remiss if I did not, like previous speakers, pay tribute to the hon. member who moved the Address in Reply to the Speech from the Throne, as well as to the seconder. Both deserve much from their country. They have shown themselves worthy of the confidence which their electors had put in them, and I am convinced that both realize that a brilliant future lies afead of them.

To end these few remarks, may I, Mr. Speaker, call on all members of the opposition or the government to work together hand in hand. Let us work for the increased well-being of this country, and instead of condemning everything, sowing hatred, as some are trying to do, let us co-operate. As for those who would criticize us and try to get ahead by destroying reputations, may I remind them that "He who sows the wind shall reap the whirlwind".

• (1210)

[*English*]

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, as I participate in a Throne Speech debate for the first time, even though I have sat here as a member for six years and would like to think that I may sit here longer although that will be left to the electorate in the not too distant future, I suppose, I enter the debate with two basic thoughts that I want to present to the House. I believe they underline part of the problem in Canada, and in a philosophical way I have entitled them "The Paradoxes of the Prime Minister".

After listening to the last speaker refer to criticism and then immediately talk about hate, and accepting the sincerity of the views he expressed, I hope that no one after listening to what I have to say will suggest that one can equate criticism, either constructive or negative, if one can divide criticism in that semantic form, with any hint of hate, prejudice or bigotry.

As I sit as a Member of Parliament and hear questions concerning Canada discussed, our constitution, the monarchy and our parliamentary form of government, and then on television see the problems which exist to the south of us, I believe that those to the south of us at times have more to be thankful for than we in this country. Although they have problems and divisions I personally believe there is more frank discussion of those problems. Sides are taken passionately in an effort to solve their dilemma. We in Canada have a character blended from the two founding races with an infusion of the blood of many other peoples. We always seem to opt for compromise, for the easy way out, and avoid the basic issues confronting the land.

• (1220)

When the present Prime Minister (Mr. Trudeau) ascended the throne, so to speak, assumed the mantle of leadership of his party and fought an election, he appeared to speak frankly and realistically about the problems that face Canada. His frankness was stimulating. I believe there was hope in all parties and certainly among many of the younger people of Canada. People felt that at last,

although the fundamental problems of this land would not be solved overnight—after all, no one party has a monopoly on solving our basic dilemmas—we were beginning to talk frankly and freely about our problems and we might attempt to resolve those problems in that spirit while recognizing at the same time the fundamental differences that have permeated the Canadian fabric for the past 100 years. Change is possible. Consider what has happened recently. President Nixon, a former communist baiter, has been honoured in Peking. He has been eating pheasant, duck and all those other delicacies available there.

Our forefathers, among whom I include Sir John A. Macdonald, were men of fundamentally diverse views but they got together and settled their differences. Those differences were based on philosophy, religion and origin and aroused greater discord than they might today when we have been emancipated by so-called education and technology. I wonder if there has ever been a political leader in this land who has evoked such an image as a young man who was adventurous and ready to experiment with new ways. If the President of the United States can change his anti-red posture and take the sort of trip he has taken to China, why should the people of this country not be able to sink their differences. However, we in Canada, I am afraid, are not prepared to sit down together frankly and discuss points of difference in the hope of bridging those differences and arriving at a consensus on what is best for Canada.

If there is anything that disenchants me about the four years that the present Prime Minister has been in office it is, if we forget for the moment unemployment and inflation, that during those four years that frankness and realism in approaching our difficulties which we had expected was never apparent. To me, Mr. Speaker, this involves a paradox. I doubt whether any man in recent times has come up so suddenly and so soon, stimulated such warmth, such excitement and radiated such charisma and yet, after attaining office, has become so cool, aloof and distant. In place of the former charisma we now see coolness and distance. In attempting to deal with today's problems the Prime Minister did not seem to be merely in an intellectual ivory tower; he seemed to be almost in an intellectual igloo. He has not cared about the plight of thousands of Canadians confronted with the reality of unemployment and caught in the squeeze of ever-spiralling inflation.

I will be the first to admit that no government will solve these difficulties overnight. Nevertheless, we must face the paradox of a Prime Minister who, having shown warmth and compassion before election, seemed at times to lose the capacity to feel compassion after his election. I believe that a Prime Minister of this country cannot solve the country's problems involving confederation unless he brings to the study of those problems a great degree of care and compassion. In approaching solutions he must not deal with the problem as though it is like a tangent of a circle in a geometric plane; neither should he imagine that you can feed figures into a computer and obtain a programmed result. Problems involving people cannot be solved by computers or braintrusts alone, although these can help in providing the options available. You need the human element. Human beings must make the ultimate decisions if we are to produce results which, although they may not satisfy everyone, will at least meet the approval of most.

[Mr. Nowlan.]

Apart from the contrast displayed by the Prime Minister's attitude of warmth and concern on the one hand and coolness, detachment and an "I don't care" attitude on the other, we must also consider some of the things the Prime Minister has said, and especially the names he has called the premiers of certain provinces. Your Honour is well aware that, if we are to judge from the heat engendered in this chamber when some hon. members have called others names, name-calling on a national scale can bring about the breakdown of our system of government. The whole thing could break down. Think of what happens in this chamber when there is name-calling and imputation of motives. I say, why does the man who sits in the most responsible chair of the land, the Prime Minister's chair, not exercise greater responsibility in describing his feelings with regard to some of the leaders of this land? This is another example of the "I care and I don't care" attitude, of this warm-cool paradox I have spoken about.

Four years ago the Prime Minister was elected under a one-Canada banner, and a very attractive banner it was, too, pulling at the heart-strings of the nation. It is ironic that four years later there should be more discontent, disillusionment and disenchantment between the peoples of the various regions of this country than there has been for some time.

One reason for this breakdown in the common will, for this deterioration in our national fibre and fabric, and for the polarization between the various regions of this country, a polarization which is just beginning, is that for the first time there is in cabinet a group which, ironically, is not involved in national participation. I will not go into name-calling and say that there is in cabinet a Montreal Mafia and that there are three of four men who wield power while others, even cabinet ministers, must knock on the door. That has been said many times, and there is a good deal of truth to it. You need only look at the estimates for this year—I will go into those in greater detail soon—to realize who are the Midas twins and where the money is going. Much money is going to the Department of Regional Economic Expansion. Much is going to the department headed by the Secretary of State (Mr. Pelletier) and those agencies for which he is responsible. As for the Secretary of State, and I am glad to see him in the House because I intend to say more about his department, there has been an attraction of agencies and a compounding of dollars under his administration that make other ministries seem rather small indeed. These ministers are the Midas twins. It must be a compliment to their competence and aggressive nature, let alone any other factors, that they administer the two most active, sometimes imaginative and certainly the largest departments in the sense of new programs, not statutory matters which are built into the budget such as health and welfare. However, they are not voices for Canada as a whole in helping to develop a consensus in the cabinet. In fact, the development of a consensus springs too much from the basic center of this land—some might suggest only from Montreal or Quebec.

• (1230)

If we review the ministries we see that, starting with Sir John A. Macdonald, we had a Cartier and a Tupper from Atlantic Canada. Omitting some ministries and coming down to the days of real Liberalism, the man who indelibly stamped his imprint on the Canadian context more than any other one man, certainly in the twentieth century, through some of the programs he initiated and his avoidance of some of the fundamental problems with which we are still grappling—I mention bilingualism as one—was Mackenzie King. Mackenzie King, the Presbyterian and Protestant, had Lapointe, Jimmy Gardiner, Stuart Garson, C. D. Howe and Jimmy Ilsley in his cabinet. These were fine Canadians from various regions of Canada. They brought to the cabinet points of view which were not just confined to the television centres of Toronto and Montreal and did not just come from the geographical context of Ottawa. Whether they liked it or not, they represented a group. They did not come here initially as voices from Saskatchewan or Port Arthur or the voice of business. They brought to cabinet a balance of varying points of view from important ministers, something which is not found in the present cabinet.

The present cabinet, regardless of fuzzy-wuzzy tinkers as a colleague of mine suggested not too long ago, has in terms of actual power a very narrow base that has not been exposed to some of the realities of Canada from coast to coast. There are fine men from British Columbia and Toronto and a very interesting gentleman from Nova Scotia, but under Mackenzie King the President of the Privy Council was closer to the seat of power than under the present Prime Minister. These things come and go. Ministries have men who are close to the Prime Minister and men who are somewhat removed by distance and philosophy and thus the door does not open quite so readily.

Mr. Bell: You mean like the Minister of Finance (Mr. Turner)?

Mr. Nowlan: The hon. member for Saint John-Lancaster (Mr. Bell) mentions the Minister of Finance. This is the reality of cabinet-making. It will continue under any administration, but the flaw in the present administration is that there is not the dilution of different points of view coming into the common stream.

Mr. Pearson had Jimmy Sinclair who has now attained fame in another way. He brought a responsible point of view from British Columbia. At one time George McIlraith used to bring a very definite point of view to cabinet council. He was not only heard but listened to, and there is a big difference between the two. Mr. Pickersgill brought to cabinet a very historical past and a very political present. He certainly added his point of view to cabinet council. There was Mr. Chevrier, an honoured representative of a riding about which Your Honour knows quite a bit. Regardless of political background, these men were of sterling character and brought their points of view to cabinet council. The results of cabinet deliberations were not dictated just because a man happened to be infused with the culture of Toronto or Montreal. There was a balance.

I need only go back to the right hon. member for Prince Albert (Mr. Diefenbaker). He brought a balanced point of view from coast to coast. The lesson of history is remote but, ironically, there was more of a Canadian spark, be it a Canadian vision, Arctic plans or northern development. There was a one-Canadian approach. In his cabinet were Howard Green, Davie Fulton, Gordon Churchill, Hugh John Flemming and many others.

Mr. Osler: What about—

Mr. Nowlan: If the hon. member for Winnipeg South Centre (Mr. Osler) wants to ask me an illegitimate question, I will give him an illegitimate answer.

Mr. Osler: I would like to ask the hon. member a question.

Mr. Speaker: Order, please. The hon. member has the floor and cannot be interrupted unless he is prepared to reply to a question at this time. I remind the hon. member that he has limited time.

Mr. Nowlan: I would like to continue, Mr. Speaker. My whip has informed me that I have only ten more minutes. I would like to conclude in that time. I have the problem of speaking too long rather than otherwise because I have so much of substance to say, not because I am prolix. I would like to complete my remarks.

We have the one paradox of the man with the warm charisma while campaigning who, following election, becomes the cool inhabitant of an intellectural igloo, a man without compassion who does not care. I suggest in all seriousness that the administration is going to have to combat in the next election the fact that the Prime Minister does not really care about a single problem. The other paradox is that under this ministry—I am not saying there is not regional representation, but that is not what I am talking about—the ministers who have the ear of the Prime Minister and his administration have a very narrow background. I do not mean narrow personally but because of geographic and other interests.

Before I try to dissect some of the estimates of the Secretary of State, I must say there is one thing that appalled me and caught me by surprise, although I should have been aware of it. When we look at this handy book put out by the President of the Treasury Board, which confuses rather than clarifies and hides more than it shows, we see it is shown in clear form that in the six short years since I came here the estimates have more than doubled from $7.2 billion in 1965 to $15.7 billion for 1972-73. We all know this is not the end. In six short years the estimates have more than doubled. Four years ago the present Prime Minister came on the scene with frugality and thrift. Later I will deal with how much his administration has cost. In a cumulative way the four Trudeau years will cost the Canadian taxpayer more than the first 85 years of Canadian federal government in total expenditure. This is the man who is so frugal and thrifty. The figures are clear. I have them here.

Let us talk about the Canadian Broadcasting Corporation and see what it has done. The time has come for Canadians to take a hard look at the CBC. Personally, I am in favour of a national broadcasting service. However, the proposed expenditures on current account are $207

million, not counting the $31 million in loans. Compare this with total federal expenditures of $184.9 million in 1914. Indeed, federal government revenues did not reach the present level of the CBC for this year until the war-time year of 1917.

Look at the Department of Secretary of State. Proposed expenditures amount to more than $1 billion when one counts post-secondary transfer payments of $28 million. Mr. Speaker, total federal government expenditure did not exceed that amount in any year until Canada had been at war with Hitler for two years. To put it in another way, it took the first ten years of confederation for the Canadian Federal government to spend more than the CBC proposes to spend in the next financial year. It took the first 30 years since Confederation for the federal government to spend as much as the Secretary of State proposes to be responsible for spending in the next financial year. It took 49 years of confederation to spend as much as the Secretary of State has spent in four years, that is, $3.2 billion. It took the federal government the first 74 years of confederation to spend as much as the present administration proposes to spend next year. The four Trudeau years will cost Canadian taxpayers more than the first 85 years of federal government.

• (1240)

I ask, without trying to stimulate culture at all, is it any wonder that we should not be surprised, with estimates growing at this rate, with such large amounts set aside for culture at the expense, it would seem, of allocations, to certain practical programs, that the Canadian taxpayer is beginning to wonder where we are heading? If time were available I would go into more detail, though I could not hope to discuss fully the mythology of the hasty handbook for confused Canadians prepared by the President of the Treasury Board.

Mr. Knowles (Winnipeg North Centre): Order.

Mr. Nowlan: That is the title. I was not referring personally to any minister. In this publication, purporting to show taxpayers how their dollar is spent, the President of the Treasury Board suggest we are each of us contributing in taxes 2 cents for culture and recreation. This is almost worthy of a question of privilege. One has only to look at the other pages, at the sections in which expenditures on which other programs are buried, to find that instead of two cents being spent on culture the amount is easily between four and five cents. It would be ridiculous if it were not so serious.

We find the estimates relating to The Company of Young Canadians under Health and Welfare. I do not know whose health these people have helped or to whose welfare they have contributed. More interesting to me is the fact that the allocation in respect of translation and bilingual programs, to the tune of $50 million, is to be found under the heading "Internal Overhead Expenditures". I would have thought that if anything were basic to culture it would be expenditure on bilingual programs. Similarly, $90 million proposed for education assistance in the year 1972-73 is found separately listed. Of course, when the work of 29 departments is broken down to 11 functions, expenditures have to be shifted around—there has to be a little shell game—but let us not put all these items which are related to culture under different headings. The additional expenditures to which I have referred could easily add a further $318 million to the figure of $365 million given us in the little handbook, and I believe I can say this without provoking any debate with the Secretary of State who is responsible for all these programs.

Before closing I should like to deal with one further item here. It concerns translation costs. I believe there is a lot of hocus-pocus in connection with the translation of French into English and English into French. Translation services are, of course, important having regard to the bilingual character of this nation, but I think we have gone overboard. Look at the figures. Between 1961 and 1965, translation cost us $7.7 million. Between 1965 and 1969 the cost was $14.9 million. Four years of this administration, based on the 1969-1973 figures will give rise to translation costs amounting to no less than $41 million, more than is to be expended on northern economic development this year, or even next year, for which the estimate is $38.7 million. The proposed expenditure on translation next year is $15 million compared with $2.7 million for the Economic Council of Canada. I suggest this represents a sad degree of imbalance in the determination of priorities. We are spending $15 million in one year and $15.7 next year on translation while providing $2.7 million in the same period for the functions of the Economic Council, five times as much for translation as a specific subject than for economic planning, and this is at a time when the country badly needs economic planning.

My time has almost expired but there are many more things I could say. I hope to have the opportunity to say them at another time. I believe that as we head down the back stretch—I am referring to the days when I used to run races—on the last lap of this parliament, the government will have to show that it cares. It will have to demonstrate that there is a measure of balance in its decisions. I am not talking now of the Liberal party. The Liberal party is a great and famous institution of the land—too strong as far as I am concerned. On this note I suggest that a government which was capable of approaching decisions in a balanced way would never have involved itself in the little problem which has arisen with respect to the RCMP. It may seem only a small matter but it is large in the eyes of many people. Members opposite can sniff and sneer, but I would point out to them that this difficulty has never risen before. It did not arise during the administration of the previous Solicitor General who was a wise old fox around the corridors of this Hill. This is another thorn which I hope will prick some sensibility, some sensitivity, into the cabinet in order that we may avoid in this land the backlash which could be witnessed unless better judgment is shown.

Mr. James Hugh Faulkner (Parliamentary Secretary to Secretary of State): Mr. Speaker, I should like to make one or two comments at this time. Some of them will relate to my constituency. But before getting into those subjects I wish to commend the two hon. members who moved and seconded the address in Reply to the Speech from the Throne and join with others who have paid sincere tributes to them. I should like to say how refreshing it was to hear the unabashed, unashamed and enthusiastic views of the hon. member for Bruce (Mr. Whicher) in a Chamber

which is all too often characterized by predictions of disaster, gloom and doom, particularly from the Casandras opposite. It was quite refreshing that at least one member of the House could state that government had done something over the past years to justify his saying something positive and enthusiastic about our performance. I only wish that some of this enthusiasm would rub off on members opposite. It is not a question of being smug but simply of recognizing a few facts. During 100 years, this country has achieved certain accomplishments. Perhaps these can be put into some kind of perspective, rather than members dwelling upon some of our shortcomings.

• (1250)

I was intrigued by the contribution made by the hon. member for Annapolis Valley (Mr. Nowlan). I too have read "How Your Tax Dollar Is Spent". I did not find it confusing, but I must admit that, after listening to him telling the House that he had read it, I am prepared to believe that it must have been a confusing document to him. I say that because no member of this House, having read that document, could have come forward with such a jumble of ideas so confusedly presented without giving some credence to the claim that the document itself is confusing. I shall re-read it myself and perhaps I shall become as confused as he; but certainly on first reading it did not seem to me confusing but, rather, quite helpful.

The hon. member for Annapolis Valley started to talk about what he called the "two Midases from Quebec". He was, of course, referring to two ministers, one being the Secretary of State (Mr. Pelletier) and the other the minister of Regional Economic Expansion (Mr. Marchand). He went on to say that somehow their budgets had been increased. But why did the hon. member devote such a great portion of his speech to talking about increases in budgets? Was he as concerned about the increase in the budget of the Department of Regional Economic Expansion? No, he simply avoided that. The hon. member for Annapolis Valley could not justify, nor could any other member from the Maritimes justify, coming to this House to complain about the increase in the budget of the Department of Regional Economic Expansion. So in that selective way that is the trademark of hon. members opposite, the hon. member dealt with but one budget that he felt he could legitimately make some point about, coming from Annapolis Valley.

Mr. Nowlan: I rise on a question of privilege, Mr. Speaker.

Mr. Speaker: Order, please. The hon. member is rising on a question of privilege.

Mr. Nowlan: Mr. Speaker, I do not mind taking innuendo from the Prime Minister (Mr. Trudeau) but I am not going to take it from my hon. friend across the way. My time ran out and I had only started to talk about the estimates. We on this side have been complaining about the policies adopted by the Minister of Regional Economic Expansion (Mr. Marchand) ever since this Parliament opened, and my hon. friend knows it.

Mr. Speaker: Order, please.

Mr. Nowlan: If the hon. member would only sit in this House more frequently and listen to members of the opposition, he would know that.

Mr. Speaker: Order, please. The hon. member for Peterborough has the floor and he should be allowed to make his speech.

Mr. Faulkner: Thank you, Mr. Speaker. I certainly did not intend to make any innuendo; I was stating facts. I do not have to resort to innuendo; I need only tell the hon. member what are the facts.

Then the hon. member went on to complain about the expenditures. He may have some legitimate criticisms of the program—I do not dispute that for a moment—but he seemed to think that the bulk of the money was being spent in central Canada and in Quebec in particular. He went on to say that this money was spent not by DREE but rather by the Secretary of State's Department. I do not think the rather lame excuse that the hon. member had only 30 minutes should account for the selective criticism that we have listened to today.

I am not going to get into a defence of the estimates of the Department of the Secretary of State. This will be our pleasure when the estimates of the department come before the Standing Committee on Broadcasting, Films and Assistance to the Arts. I only hope that between now and then the hon. member, who was so critical of the increased budgets and so concerned about them, will have more to say than simply that he objects to the increased expenditure on translation facilities.

I must say I find it particularly ironic that the hon. member can stand in his place and profess his complete confidence and faith in the concept of a bilingual country and then come to this House and express his objection to expenditure on translation services. If he has anything more to say about this department I should love to hear him, and I am sure that the minister will also be interested to hear him. However, I suggest that blanket criticism of increased expenditures which, when one gets to the pith and substance of the criticism, is simply a complaint about the increased amount of money spent on translation services, is a rather hollow and, I suggest, inadequate critique. As I say, I hope that between now and the time the estimates go to committee the hon. member will have something more substantive to contribute to the debate.

I was also intrigued about his inside information on the subject of cabinet discussions. He feels that he has some sort of access to those who are making a contribution to cabinet discussions.

Mr. Nowlan: You know who, Hugh.

Mr. Faulkner: I have no idea who. What I do know is that, having looked at the DREE program, I cannot see where central Canada benefits at all. Where does Peterborough or Toronto benefit under DREE? I am not complaining about that because I think DREE reflects the true priorities. It does not reflect any priority in regions in central Canada but rather other priorities that are long overdue. So I suggest that to say that the priorities he referred to emerge from a cabinet that is dominated by ministers from central Canada is palpable nonsense. I suspect it is merely serving as campaign ammunition for

the election that lies ahead. However, let us not confuse what is election fodder and what is fact.

Coming as I do from central Canada, I would be the first to state that the government has demonstrated an approach to the priorities of this country that is at least as intelligent and as sensitive as any previous government within my time. However, as I say, since we are in an election year we will have to put up with the sort of nonsense we have been hearing.

I am going to get into some other topics, Mr. Speaker, so may I call it one o'clock?

Mr. Speaker: Is it the wish of hon. members that the Chair call it one o'clock?

Some hon. Members: Agreed.

Mr. Speaker: It being one o'clock I do now leave the Chair. The House will resume consideration of this item of business at two o'clock this afternoon.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Faulkner: I want to continue from the point at which I left off at one o'clock and get into the substance of what I want to say. First of all I want to deal with the contribution of the Minister of Finance (Mr. Turner). I will make some comments about what I feel our strategy should be. First of all, I would like to wish him well in what is obviously a difficult portfolio. He has demonstrated an extraordinarily high level of talent in his previous undertakings for this government, and I am sure he will bring these considerable talents to bear successfully in the portfolio he presently holds. In his first speech to the House he wisely warned us, and the public at large, against any false hopes for uninterrupted smooth sailing. Although the economy is strong, despite the gloomy predictions of the Cassandras opposite, there are serious and unresolved problem areas. In his remarks the minister pointed out some of these.

• (1410)

First, there is the highly imperfect and incomplete state of the so called science of economics, where theorists are more noted for their disagreements than for what they agree upon. Second, there is the lack of solid understanding about the phenomenon of cost-push inflation, and the understandable but frustrating lack of consensus on how to deal with this matter. The minister, in his remarks, stated:

> Cost-push inflation has frequently occurred to some extent in the past, but more recently it has taken a far more virulent form.

The remedy for the problem most often proposed by Canadians generally is, of course, wage and price controls. The Chairman of the Prices and Incomes Commission, Dr. John Young, has indicated that the Commission has studied this matter and has a formula which could be used if there is not successful voluntary restraint. I, for one, would like to see some of the findings of the Commission made public so that we could examine this matter dispassionately. I note in passing, though, that the Senate Committee on Prices and Incomes reviewed the matter of wage and price controls, invited a series of the most distinguished economists in this country and abroad to advise the committee on the matter and, after their exhaustive study, came out against wage and price controls.

Third, there are the dangers inherent to a trading country like Canada in the formation of trading blocs all around us, particularly trading blocs which have a tendency to be protectionist. Fourth, there is the threat posed to Canadian secondary manufacturers by the brazen plan of export subsidy that the U.S. Congress is allowing through the formation of the Domestic International Sales Corporation, creating a substantial threat to employment in Canada. Fifth, the minister pointed out something which we all too often forget, namely, the pure vagaries of a relatively free market economy operating on the basis of decisions by millions of individuals.

But, Mr. Speaker, there is a further threat to employment levels and to the economy of Canada which was not mentioned by the minister. It is the new, potentially troubling threat to Canadian jobs looming on the U.S. horizon in the form of the Hartke-Burke bill. This bill is supported by the AFL-CIO, and is designed to cut back on imports from abroad. Canada would be the country most affected if this bill, which has been referred to the U.S. Senate Finance Committee, ever became law. This bill would establish a new agency with strong powers to regulate imports. The bill would force Canada to put quotas on its exports to the United States, rolling them back to the average level of exports for the period 1965-69. This bill is being supported by the heads of international unions in the United States. It is a short-sighted, selfish, protectionist measure.

But the irony is that Canadian workers who are members of the same international unions in question will be thrown out of work by the lobbying of the leaders of the unions of which they are members. I think it is important to know what the Canadian heads of the international affiliates of these unions are doing, what pressures they are applying to their counterparts in the United States to stop the progress of this bill. I would also like to know what that political party the NDP, which is nothing more or less than the handmaiden of organized labour in Canada is doing to bring pressure to bear in order to stop this bill.

These are some of the realities with which the Minister of Finance has to contend. His task will not be easy. Recognizing this, perhaps he will forgive me if I chide him gently for what appears to have been somewhat rosy statements about the employment prospects for Canadian workers. I share his view that our first priority must be to provide good jobs for Canadians who are seeking work. That is fair and commendable. I completely endorse that priority. But really, Mr. Speaker, what are the prospects of that priority ever being anything more than a priority? I don't believe that this government, or in fact any other government can accomplish that goal, and I do not believe that we should leave the impression in the minds of Canadians that it is something that can be done, or done easily.

I was disturbed to receive today the first mailing of a document which apparently is the result of an organized campaign in support of "a full employment program."

Mr. Gilbert: Are you against full employment?

Mr. Faulkner: If the hon. member will wait for a second or two he will hear my misgivings about this. What is the program proposed? I quote from the document:

I urge your support demanding this government pass full employment legislation now guaranteeing all Canadians, able and willing to work, jobs at fair wages—

Whatever that means.

—commensurate with their ability or training.

If any political party in this House has such a program, Mr. Speaker, it should produce it. But certainly neither the NDP nor the Conservatives, nor indeed this party, has such a program. I think we should stop trying to leave the impression in the minds of Canadians that somehow there is a simple, miraculous solution, that if this or that group were in power everybody in the country would be fully employed and working at fair wages. I may say that a decision on the last statement would be a rather subjective judgment. Is it to be left to the individual to decide what he is worth? In fact, some people doing our work, Mr. Speaker, think that our wages are too low. We cannot possibly reach that goal.

Mr. Gilbert: Why not?

Mr. Faulkner: If the hon. member is so naïve that he does not understand this, then I will talk to him privately later. If anyone can point out to me a year when there was full employment in this country, or if the hon. member's colleagues opposite, whose political party was in power for 17 years in Saskatchewan, can point out one year there, or even a full 24 hours when there was full employment at fair wages, then I will retract my statement. But they know perfectly well that they cannot do that. It is pure hypocrisy on their part to suggest that it can be done.

I certainly think that our goal should be to maximize employment, and we can confess to this frankly, but we should also be examining ways in which unemployed and unemployable people can still be active and occupied, alternating between jobs. Our traditional ways of looking at this question have been superseded by events. The high technology industrial state raises new problems and new possibilities. Obviously, there will be less work and more leisure.

Obviously, things like overtime will have to be eliminated. Obviously the 40 hour work-week is becoming redundant in terms of present technology. All these are things that will have to be reviewed, and until they are reviewed we should stop promising full employment. We should begin to think of how we can make periods of unemployment as creative and active as possible. We must start thinking of alternatives to "the job" as it is narrowly defined and traditionally understood. We should start thinking in terms of a society of alternatives, of hope, not relief and handouts.

I want to turn now to the question of strategy in dealing with the economic prospects that face our country. I want to emphasize certain points which I see as central to our strategy. Dealing first with the phrase "an industrial strategy," this is a rather glib and popular expression which no one is ready to define with any precision. The Minister of Industry, Trade and Commerce (Mr. Pepin) has promised something more definite in his further statements. He contends, and I think rightly, that there has been over the years a developed form of industrial strategy. Programs like PAIT and IRDIA, and policies like the textile policy all constitute a form of industrial strategy. The principal component of the future strategy, and probably the most difficult, will be the steps taken by the department to aid the process of rationalization.

Branch plant fragmentation has demonstrably weakened our domestic economic base. Admittedly the needs of the Canadian consumer have been met, and so have the interests of the U.S. shareholders. But beyond that, the shortcomings of this pattern are clear and have been fully documented by a number of studies. Both the Minister of Finance and the Minister of Industry, Trade and Commerce have referred to this problem and I will await their more precise outline of their plans. I simply want to affirm that in my judgment this has to be a component of our industrial strategy.

Dealing secondly with tax reform, I wish to say that despite the significant and major overhaul of our tax system, it is still apparent that more reforms are necessary. I, for one, am convinced that instead of the extraordinary tax privileges enjoyed by the resource industries to cover their alleged risks, any concessions or privileges available to those industries should be granted on the basis of processing done in Canada. Most resources are in short supply and this situation is likely to continue for some time. It makes no sense to encourage companies to sell our raw materials in basically a sellers' market and give them special subsidies in the process. Tax support, if any in fact is justified, should be geared to support efforts the resource industry makes to process in Canada.

• (1420)

Secondly, consideration will have to be given to tax changes to support venture capital operations in Canada. Even a most cursory examination of the industrial scene will show that a number of small companies with young entrepreneurs and usually some technologically innovative idea, are trying to get off the ground. Their principal problem is trying to find the risk capital necessary. If there are venture capital operations prepared to get into this field, I think the government should share some of the burden. We might examine the methods used in the United States. That could be a formula that would work in Canada; the principle, though, is important and that is that we get into a support position for the venture capital operation. These small businesses funded by venture capital operations often are the kernel out of which much larger, viable and important businesses grow.

Finally, there is national strategy, something I have talked about in this House before. The Minister of Finance, in his speech, expresses the hope that the business community and labour unions, farmers and consumer groups, will make representations and offer advice. This has been, I remind you, Mr. Speaker, to some degree, the pattern of the past. In my view, this process of seeking or offering advice on an ad hoc basis when a situation becomes critical or even the present practice of an annual

meeting between the Cabinet and representatives of business and labour—meeting separately, of course—is not adequate to meet the challenges of the present situation. Consultations between labour, management and government have got to be carried on in a far more systematic and continuing basis than heretofore. We have had the good sense to recognize the advantages of continuous consultation in the industrial relations field. The principle applies with equal force on a broader economic front.

Consultations and strategy sessions at the national level will only work if government is prepared to be completely open with the information it has at its disposal. It should also be prepared to consult, in some systematic way, on policy options that are being discussed in Cabinet. I feel very strongly that if labour and business have a clear and continually updated idea of what the government's intentions are, of some of the problems we anticipate, and the leaders of both labour and management are consulted on these matters, we can expect a higher level of co-operation and understanding than has been evinced in our direction heretofore.

Mr. Speaker, I simply say that we face competition in the world from highly developed, sophisticated industrial countries. We face tougher and somewhat protectionist policies from our greatest trading partner and largest market to the south of us. Even all these, and the other problems which I have outlined above, make the closest possible and continuing consultation between government management and labour indispensable. Annual meetings of the kind we have seen in the past will not serve this purpose. They will not produce either the understanding or the co-operation we will need. I appeal to the Minister of Finance, at the start of his new responsibilities, to explore this area of co-operation in a way that, in my view, has not been explored in the past.

I am afraid I am running out of time, Mr. Speaker, but I should like to touch upon an industry which is important in my area, and in relation to which the following statement appeared in the Speech from the Throne:

Policies designed to promote a related, yet distinct, sector of the economy—tourism, will be revealed in coming weeks.

I strongly and enthusiastically endorse this promise, and I will be watching with interest to see what is forthcoming. As you know, Mr. Speaker, representing as I do an area where the tourist industry is very important, I have to say that it faces serious problems in the less developed or advantaged areas. One of the principal problems is that the industry is fragmented and decentralized and does not have the financial base upon which to grow and to rationalize. I think it is important to note the efforts of the IDB in this regard. I point out to the House that last year there was a 56 per cent increase in lending to hotels and motels, from $17 million to $27 million, So, there is movement. It is in the area of financing that the tourist industry, particularly in the less developed areas, requires support.

I would also point out that in less developed areas it is often the tourist industry that holds out the greatest possibility of jobs. Plants are not going to locate in these areas because of the difficulties of transportation and the expense of setting up business, but the tourist industry and the natural resources of the area, lakes, water, hunting and fishing, could provide year round employment.

[Mr. Faulkner.]

Any strategy, and this is what I am appealing for, to help less advantaged areas should embrace the following four elements: first, financing on special terms for viable tourist operations whose intention is to grow to meet the sort of criteria we are talking about; second, support for training facilities in our community colleges for people who wish to engage in hotel management or the food service business. Much more sophistication has to be introduced into this area; third, access to tourist areas. Even the most cursory examination of the Kawartha Lakes will demonstrate that access to this area is plagued by inadequate road systems, and most of us are becoming increasingly impatient with the provincial government's performance in support of proper access to the Kawartha area; finally, promotion, particularly within Canada, of possible holidays in other parts. This type of promotion encourages Canadians to move within their country, something that is long overdue.

A coherent, properly financed strategy in this area could do more to meet the inequities faced by the people in the slow growth areas of Ontario and other parts of the country than probably any other strategy. In so far as the government has committed itself to doing something in this field, I support it and any measures it brings forth to achieve that goal I will endorse.

In conclusion, may I just make a point that I made elsewhere in support of the decision to transfer canals from the Department of Transport to the conservation program of the Department of Indian Affairs and Northern Development. This is something that you, Mr. Speaker, myself and others have been working on for at least two years. I think it is important to take this key phrase from the minister's statement in the House, which reads:

It is our intention, working closely with the provinces, to develop the recreation potential of these waterways and to protect their park, wildlife habitat and historical values.

Mr. Speaker, I am sure we all agree that although this move is only a beginning, it marks a radically important victory for those of us who have been saying that these waterways should not be arteries for transportation but should provide the backbone of recreational facilities available to all citizens. What is happening is that the lakes in Ontario and other parts of the country are becoming the closed preserve of a lot of cottage owners. With this program of new priorities there is the possibility that recreation will be available to all citizens, whatever their income and a wide variety of recreational possibilities will be available such as hiking trails, canoe routes, conservation areas, etc. which are a much more exciting prospect than anything held out before.

I strongly commend the minister and the government for making this move. Of all the things that have to be done, the first priority must be to secure land for parks. This is particularly true of the Trent-Severn canal system where land is at a premium and under constant encroachment from private development. If that system is to have land area available to all citizens it is imperative that the federal or the provincial government or the two combined get into a land purchasing program in order to protect it from private development. Of course, private development will continue but in the interests of all a balance must be maintained. The move by this government introduces the hope that such a balance will be estab-

lished and I think that all the citizens of Peterborough and the areas of Northumberland and Durham will endorse this.

I am sorry that I have spoken so quickly, Mr. Speaker, but there were several things that I wanted to get on the record and I appreciate your indulgence.

Mr. Deputy Speaker: The hon. member for Frontenac-Lennox and Addington (Mr. Alkenbrack).

Mr. Thomson: A question, Mr. Speaker.

Mr. Deputy Speaker: Order, please. If the hon. parliamentary secretary would receive the question the Chair would have to ask the unanimous consent of the House to extend his time which had just expired as he finished. Is there such consent?

Some hon. Members: Yes.

Mr. Bell: No. We are on schedule, Mr. Speaker.

Mr. Deputy Speaker: The hon. member for Frontenac-Lennox and Addington (Mr. Alkenbrack).

• (1430)

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, I should like to begin by congratulating the mover and the seconder of the Address in Reply to the Speech from the Throne. It must have been a source of great comfort to those backbenchers when they were given permission to speak in this House. We all know, of course, that the role of the hon. member for Bruce (Mr. Whicher) is that of official heckler or court jester; so, it must have surprised the hon. member as much as it surprised us when he was given permission to make a bona fide speech.

An hon. Member: Come off it.

Mr. Alkenbrack: My colleagues have been eminently successful in rebutting the hon. member's attempts to shore up this government's sagging image, and I will now dwell on that. However, I feel compelled to make a couple of observations about the hon. member's verbosity. In the first instance, the Throne Speech itself must have been written by the same team that has been drafting the government's legislation over the past four years. The document was calculated to confuse rather than to enlighten the people of this country and members of this House. It lent itself to as many interpretations as there were listeners and, Mr. Speaker, it failed utterly to provide any solutions to the serious problems which plagued Canada since the present government assumed such extensive powers.

The hon. member for Bruce was like Mark Antony; however, he has something in common with that other Mark Antony. We are not sure whether he came to praise or bury his Caesar. If I may borrow a phrase from the Bard, I think the hon. member protested too much. In the process, he failed to add to the lustre of his Caesar's tarnished image. Apparently he was instructed to deliver his speech in the manner that the government administers its affairs of state, because he rambled and rambled, and in the end was compelled to ask for more time to attempt to make his point. We gladly gave him more time.

I will leave the hon. member for Bruce and turn to the hon. member for Lanark-Renfrew-Carleton (Mr. McBride). I say to that hon. gentleman that he is much justified in his concern about the probable outcome of the next federal election. When his constituents realize the inconsistencies in the speech he delivered in the House last Monday, his concern will be greatly amplified. In common with my colleagues, I was greatly amazed at the hon. member's statement that he fancies himself as something of an ombudsman. I am anxiously awaiting the day when he will qualify that statement, both by word and deed, and especially by deed.

I should like to make one thing clear before I continue my speech, Mr. Speaker. I am not attacking the two hon. members I have mentioned so far. I am not attacking them personally, anymore than I would launch a personal attack on any member. They are both personal friends of mine. It should be clear to everyone that the subservient backbenchers on the other side of the House relinquished all claims to individuality long ago. They are now reduced to serving the power elite that governs them just as it governs Canada. I am attacking their failure to stand up to the power elite and serve their constituents. I am attacking their subservience and their obvious willingness to put the welfare of their constituents below the welfare of that power elite. The hon. member for Lanark-Renfrew-Carleton subordinates himself to the will of the elite group which is manipulating this country and then fancies himself an ombudsman. Mr. Speaker, this is a contradiction that, surely, is without equal in the annals of this or any other parliament.

To make my point, may I submit to you, Mr. Speaker, that I am not in favour of legislation which would establish an ombudsman in our administrative organization. We are all private members in the House, even the Prime Minister (Mr. Trudeau) who represents the riding that elected him; and each of us is the ombudsman for the people he represents.

I am going to answer some of the charges that the hon. member levelled in his speech, some of which deal with the position that some of my colleagues and I have taken against abuses under the Official Languages Act and the Public Service Employment Act. May I say in passing that in my hand I hold a file of complaints of abuses arising under the Public Service Employment Act. The file weighs almost as much as Bill C-259, the taxation bill, and contains well over 200 documented complaints.

Mr. Francis: Mr. Speaker, may I ask the hon. member a question?

Mr. Alkenbrack: When I have finished, Mr. Speaker.

An hon. Member: After the next federal election.

Some hon. Members: Oh, oh.

Mr. Alkenbrack: I will answer questions after I have finished my speech, Mr. Speaker. I think it is common knowledge by now that I am considered by some on the other side of the House to be a bigot because I have spoken out against these abuses, of which documentation has been sent to me. I was well aware of that possibility, the possibility of being called a bigot, before I began to speak out and, no doubt, I will be called a bigot again and

again in future. However, I should like to make one thing clear to the people on the other side of the chamber and to all others who might be inclined to call me a bigot. I am committed to my stand and I will not waver. I will continue to attack this government and its minions on the issue of imposed bilingualism and the attempts on the part of this government to subvert the traditional and honoured rights of the Canadian individual, especially the individual in the public service. I will not stand idly by while Canadians of any race, creed, colour or language preference are given an advantage that is not available to all Canadians; nor will I stand idly by while Canadians are disadvantaged for the same reasons.

It is interesting to note that some members on the other side of the House are quite ready and willing to use the government's bilingualism policies for political purposes, but that they are also ready to jump back into the fold as soon as their leader orders them to. On May 20, 1971, the hon. member for Grenville-Carleton (Mr. Blair) told a meeting of his constituency association that he challenged the government's policy on bilingualism in the public service. Well done, I say. He said he was reinforced in his views by the views of his constituents and would continue to oppose the policy. I have here a copy of his statement, as carried in the Ottawa *Journal*. It will be remembered in this House that the hon. member, armed with evidence of abuses under the Official Languages Act, moved a motion in the Commons committee investigating civil service bilingualism. The hon. member's motion was defeated, largely by his own colleagues. He has been warned, in the interim, to desist from such tactics.

Mr. Osler: And who is supporting him on your side?

Mr. Francis: Nobody.

Mr. Paproski: Don't you worry about it, Osler.

Mr. Osler: I just want to know who supported him.

Mr. Alkenbrack: After the hon. member for Leeds (Mr. Code) and I moved a motion in this House for the removal of the chairman of the Public Service Commission from office, the hon. member for Grenville-Carleton abandoned those principles and came out publicly against me and my colleagues. I have a far more extensive file of documented abuses than the hon. member has, or he would not have dared to abandon his constituents in favour of his government. I wonder if the hon. member will make another flip-flop after his leader calls the next election. I suggest to the hon. member that it may be too late by then; his credibility has suffered too much for him to be able to regain it simply by opening his complaint file and attempting at this late date to get justice for those constituents of his who have suffered needlessly.

Mr. Paproski: Shame.

Mr. Alkenbrack: Mr. Speaker, may I get back to what the hon. member for Lanark-Renfrew-Carleton said. He began his speech in a way that fooled me into thinking he was going to be credible. Early in his speech he dealt with economics, agriculture and ecology, areas in which he appears to have an amazing amount of expertise. We are all surprised that he is not a cabinet minister. Then, as recorded in *Hansard*, page 74, he said:

[Mr. Alkenbrack.]

• (1440)

In the first place, the Liberal government, under the leadership of the present Prime Minister (Mr. Trudeau) has said that because most Canadians will always speak only one language, it is necessary for them to be able to do business with their government in either of those official languages.

That is very credible as far as it goes. The hon. member should have stopped right there. He was on a winning kick. It is too bad he could not see it. We are all in favour of ensuring that all Canadians are able to get service from their government in either English or French. The right hon. member for Prince Albert (Mr. Diefenbaker) initiated that policy many years ago by establishing simultaneous translation in this House.

Some hon. Members: Hear, hear!

Mr. Alkenbrack: The hon. member then proceeded to refer to the Leader of the Opposition (Mr. Stanfield). He even referred to the hon. member for Gander-Twillingate (Mr. Lundrigan). He expressed surprise that the Leader of the Opposition did not make his speech in this chamber the other day on the same topic I have chosen. I fail to see the logic in the member's arguments. I fail to see what that has to do with the stand I have taken on this particular issue. The hon. member will no doubt be surprised to learn that Progressive Conservatives are not required to hang their individuality and responsibility to their constituents in the cloakroom before they enter this chamber.

Some hon. Members: Hear, hear!

Mr. Alkenbrack: We are a strong party for many reasons. That is one of the main reasons. We are individuals, not puppets on a string. My leader speaks French and I speak French. However, I fail to see how this should influence my decision to speak out in this House against the abuses perpetrated under the sole excuse that French Canadians should be able to get service from their federal government in the French language.

The hon. member would do well to examine my remarks more closely. He would be well advised to read and reread the complaints he is getting from public servants whose careers have been stopped short because they are not bilingual. He had better heed the warnings being sounded today about the dangers inherent in pitting race against race in this country, as is being done by the federal government. That is being done through the abuses of the powerful who are running the various departments. He and his colleagues in the backbenches will do well to examine the extent to which the Secretary of State (Mr. Pelletier), the chairmen of the Public Service Commission and the Official Languages Act are destroying the morale and efficiency of the public service, the armed forces and other areas of federal government activity in their zeal to undo a supposed wrong suffered in our past. I have many complaints here, more than a dozen, from personnel in the armed service which are all along the same line. Even if we accept the view that French Canadians have been kept out of the mainstream of Canadian life, and I do not accept it, then two wrongs do not make a right. I am surprised and shocked that that truism has escaped the attention of the hon. member for Lanark-Renfrew-Carleton.

Then, there is the matter of the hon. member for Gander-Twillingate (Mr. Lundrigan) who was received so well in the Lanark-Renfrew-Carleton riding when he spoke there a few weeks ago. I can understand the concern of the member opposite. I assure him that the Conservative party organization in his riding is very much a part of the national party. That should give the hon. member more cause for concern. He compared the hon. member for Gander-Twillingate with Ian Paisley and George Wallace. While I feel that comparisons are odious, I cannot help but suggest to the member that he should be concerned about who he will be compared with by his constituents.

It will probably come as a surprise to some members opposite that through 1972 the official languages program will have cost Canadians the sum of—I think the minister—

Mr. Paproski: He wants to know what you think of Paisley.

Mr. Alkenbrack: I think the minister should listen to this figure I am quoting. It will probably come as a surprise to some members opposite that through 1972 the official languages program will have cost Canadians the sum of $223 million. This figure only represents the amount appropriated for the program by the office of the Secretary of State.

Mr. Paproski: What about the poor Ukrainians and Polish people?

Mr. McGrath: And the "Newfies."

Mr. Alkenbrack: It is only the tip of the iceberg. It does not take into account the sums appropriated by other departments that are camouflaged by misleading titles. There are millions of lost man-hours in all government services as a result of the bilingualism program. There is the incalculable loss of efficiency as evidenced by the total breakdown in some agencies, such as the Unemployment Insurance Commission.

Added to all those is the tragic effect the program has had on public servants. Thousands of careers have been affected, many of them cut short by layoffs, demotions and loss of promotions.

Mr. Pelletier: Name them.

Mr. Alkenbrack: I have them here, Mr. Speaker.

Mr. Pelletier: Name them.

Mr. Alkenbrack: The minister is asking me to name them so he can fire them.

Some hon. Members: Shame.

Mr. Alkenbrack: Working conditions have suffered to the extent that some employees would rather seek new careers outside the government service. I know of one prominent medical doctor who did so on February 11.

Mr. Pelletier: Name him.

Mr. Alkenbrack: They would rather do that than endure the atmosphere of resentment and hostility introduced into the public service by the heavy handed tactics of the government's hatchet men. There are a good many of those in every department.

The official languages program has already been corrupted and has become outright French Canadianism. To assist the government in furthering this new concept, many departments have already packed their personnel departments with French Canadians. I know there is no such thing as a French Canadian. For want of a better adjective, that is the way we refer to them. We also refer to English Canadians. In actual fact, there is no such person. We are all Canadians.

There is a bilingualism consulting section in each department which is also staffed largely by French Canadians. I have reports of promotion boards that are staffed entirely by French Canadians. In some departments, such as Statistics Canada, this results in the promotion of French Canadians—

Mr. Pelletier: They are just Canadians.

Mr. Alkenbrack: —over many equally deserving Canadians of other ethnic origins. I have a well documented case which verifies that such conditions exist in the statistical branch of Statistics Canada. There is a supervisor in a certain branch who has carried on a campaign to discourage English Canadians from remaining in his section. He promotes French Canadians over more deserving English Canadians, with one exception. He is in the process of promoting one English speaking girl as fast as he can arrange it, although that girl has the worst work record in the section in both production and accuracy. He is known in both the import and export sections because of this attitude.

There is another device being employed in Statistics Canada that bears looking into. At least two people have been promoted to the level of CR-6, despite the fact that there is no authorization for such a level. Department heads shift these people from one section to another in order to camouflage this illegal procedure. Here again, the effect has been to destroy morale in the branch still further—I refer particularly to those who are English unilinguals and who now see no opportunity for promotion ahead of them. The practice of delegating authority to promote people in the departments has gotten so far out of hand that I cannot believe the Chairman of the Public Service Commission is aware of all the abuses which are taking place. In fact, I cannot believe he cares about what is going on as long as he is protected by his minister.

• (1450)

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

Mr. Alkenbrack: After I am finished, if there is time.

Needless, to say, morale in that section could not be worse. In the last couple of weeks resentment has reached a point at which there is real danger of fistfights in that section.

Mr. Faulkner: On a point of order, Mr. Speaker; I am prepared to listen to so much of this stuff but when the hon. member alludes to people in a number of government departments, people whose names he is not prepared to disclose, I feel I should protest. Unless he is

prepared to give his evidence before a standing committee of the House, then in my opinion he should not pursue that line of innuendo which is in consistent with the practice of the House.

Mr. Deputy Speaker: Order. The hon. parliamentary secretary may not agree with what the hon. member who has the floor is saying. Very obviously, he does not. But it appears to the Chair that unless he can cite some authority of which I am not aware, no point of order arises on that particular score.

Mr. Alkenbrack: We thank the hon. member for Peterborough for his interjection. He called my remarks innuendo. This is not innuendo. This is only a complaint laid at your feet, Mr. Speaker. I am dealing with a series of legitimate complaints for which there is documentation.

The people who have talked with me about this situation would not dare to file a legitimate grievance with either the Public Service Commission or the Public Service Alliance. I have been told repeatedly that the Public Service Alliance is a dead letter as far as grievances are concerned. This has been the case, I understand, ever since the arrangement was instituted whereby the fees for PSAC are deducted from the wages of employees whether or not they are members. This arrangement does away with the necessity of the PSAC to pursue grievances as it might have done in the past, since there is no need to serve members in order to induce them to remain in the alliance.

I should like to mention another area of serious contention. The Canadian Broadcasting Corporation has two networks, one French and the other English. The French network is French. That is fine. That is what we want it to be, so as to reach French-speaking Canadians. There is no way in which any unilingual or even bilingual Anglophone would be able to pursue a career within the French network. Now, Mr. Speaker, the English network has been made bilingual and careers in that network are already being denied in some areas to English Canadians. Even programming is affected in this way. I have complaints in this file from taxpayers in various parts of the country objecting to the use of French on an English network. They have a legitimate complaint. As far as I am personally concerned I like to see and hear a French program on the English network, when it is culturally advisable, but there are many people who do not. This works both ways. There are probably many French-speaking individuals who do not care to see and hear English programs on the French network. It may be they would not understand English, just as there are many English speaking people who do not understand French. It has already been announced that in future careers on the English network will be pretty well out of reach of English Canadians if they are not bilingual. I am sure hon. members can appreciate the point that is being made.

I have received several letters attesting to the fact that the NABET union local at the English network station in Ottawa now has a majority of French Canadians in its membership, while only a few years ago the proportion of French members was about 10 per cent. I have received complaints that Canadian performers such as Pierre Nadeau and Charlotte Gobeil are given preference over other English-speaking broadcasters. I have nothing against them. Miss Gobeil gave me a good reception and good guidance when I appeared on her program. I am just laying at your feet, Mr. Speaker, the complaints I have received along those lines; they might not be complaints I would personally make. But preferences are shown, it is said, in spite of the fact that the network receives letters objecting to shattered English being used.

Scores of people have written asking me whether the new language of Canada is to be Franglais, a mixture of poorly spoken French and poorly spoken English, which debases both. On the basis of documented cases of transfers, demotions and releases from the English network in Ottawa, I am concerned about the activities of a Mr. Martel in the administrative branch of the station. Mr. Martel has been characterized in the complaints I have received as a hatchet man for the Secretary of State's office and he has been responsible, I am told, for a number of personnel changes motivated entirely by the bilingualism policy.

Mr. Osler: On a point of order, Mr. Speaker; I think it is absolutely unfair of the hon. member to get up and name people who are employed in a Crown corporation, people he could confront quite easily when the Broadcasting Committee studies the estimates of the CBC.

Mr. McGrath: I hope the time spent on these spurious points of order is not taken out of the time allowed to my hon. friend.

The Acting Speaker (Mr. Laniel): Some time has already been allowed with respect to the previous point of order. It may be I should rule at this time on the point which has just been raised. I know that it is a practice in the House that public servants should not be mentioned by name in the course of debate, and attacked in circumstances in which they are not able to reply. I am sure the hon. member was not directly attacking the integrity of this civil servant. This is the position of the Chair.

Mr. Alkenbrack: Mr. Speaker, I trust you are not taking this time out of my speech. I should just like Your Honour to rule whether or not, the hon. member has a point of order.

The Acting Speaker (Mr. Laniel): The Chair has made its ruling. It was not the impression of the Chair that the hon. member was reflecting on the integrity or qualities of civil servants, although he may have referred to them in general. I do not think he was attacking them specifically.

Mr. Alkenbrack: Thank you, Mr. Speaker.

Mr. Osler: It seems to me that one particular man's name was mentioned several times in connection with the CBC. That is the point of order I was raising. The hon. member referred specifically to a certain person.

Mr. Paproski: Why don't you specifically sit down.

The Acting Speaker (Mr. Laniel): Order. I have made a decision and the hon. member who has the floor should be allowed to complete his remarks.

Mr. Alkenbrack: I object strongly to such tactics in the Public Service as I have outlined. They smell to high

heaven. I would remind hon. members that what we are dealing with now is not bilingualism but a more sinister move, a move to promote the use of one language in every area of federal activity. And this is being done with tax money provided by all Canadians. I have been accused of using scare tactics to force this House to initiate a serious examination of this whole question, without offering any proof of my claims that the situation is approaching the crisis stage. I am not using scare tactis. If the revelations scare some people, so much the better, because I am afraid for the future of Canada. I do not want backlash from English Canada to cancel out the progress made over the past 100 years in furthering French-English relations in our country.

• (1500)

Many, many conscientious people in our country are being duped by this government into supporting a program that is operating under false colours. There is no resemblance between what is being done now and what was proposed to this Parliament in 1966 in the way of bilingualism. It was never the intention of the majority of members of this House to downgrade the English language and English institutions in Canada in order to give prominence to all things French. Since the present Prime Minister has held power the use of the word "Royal" has all but disappeared from our institutions. We are told that the French find the use of the word objectionable. So we have departmental names that reflect the French idion, and we are warned by Mr. Keith Spicer, the government's languages commissioner, that when he is finished making governments across the country bilingual, he is going after industry and other areas of activity.

Incidentally, Mr. Speaker, the languages commissioner—and I hope those who have interjected take note of this—has vindicated my stand, although I am sure he did not intend to do anything for me, nor did I ask him to do so, either. In spite of the fact that Mr. Spicer has been insisting that no one was suffering as a result of the languages policy, he announced on Thursday last that he favours moderation in the government's approach to bilingualism, and that efforts must be made to assist the casualties of the lingualistic revolution. I, too, feel that those people must be vindicated, and also compensated. However, I cannot understand how anyone can say that there have not been any casualties, and then suggest publicly that those casualties should be compensated.

I note that the *Ottawa Citizen* for last Thursday carried a report which stated that Mr. Spicer said he favoured a little moderation in implementing the Official Languages Act. The report continued:

In a panel discussion at Seneca College, he said a recommendation in his second annual report will be for such moderation.

It will oppose over-zealous enforcement of the legislation, particularly as it affects civil servants caught in mid-career by the bilingualism drive.

The Acting Speaker (Mr. Laniel): Order, please. I regret to interrupt the hon. member, but I must tell him that although the Chair has allowed him an extra four minutes the time allotted to him has expired. Unless he can get unanimous consent, he will be unable to continue his remarks. Does the House agree, that the hon. member should continue his remarks?

Some hon. Members: Agreed.

Mr. Alkenbrack: Thank you, Mr. Speaker, and may I thank hon. members for the privilege. May I just complete what Mr. Spicer said.

Mr. Spicer said efforts must be made "to assist the casualties of the linguistic revolution."

That is what I have been pointing out to this House since December 30.

He added that the anguish of civil servants caught up in it is "perfectly legitimate."

"We should be looking to exploit all the mechanisms of the language act to relieve the pressure," he said.

For example, he suggested holders of posts designated as needing bilingual expertise should be given six months' advance notice, to allow them to prepare for it.

The bilingual qualifications for a post also should be suspended for "anybody who has a legitimate claim to a job on the basis of technical competence."

That is the end of the quote from Mr. Spicer, and I thank him for vindicating my stand. The operations of the Public Service Employment Act are a further example of the fuzzy-headedness that has characterized the language policies and all other policies of the present power-oriented government. I serve notice on the government that I shall continue my fight against abuses of the languages act and the corruption of the Public Service Employment Act.

To those who work in the public service and to all of those who aspire to a public service career, I say that I will not abandon them, that I will fight civil service discrimination in the House of Commons and elsewhere, whether it be discrimination against English unilingualists or French unilingualists. My reason for that is fundamental, as it was at the beginning of my fight and always will be, namely to see that the youth of Frontenac-Lennox and Addington whom I have the honour to represent in this House have the same opportunity for employment in the public service as those from Lévis or Trois-Rivières.

Mr. Eymard Corbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker—

An hon. Member: What will it be now?

Mr. Corbin: If you stay in the House you will hear. It is evident, Mr. Speaker, that the mood of the House today has turned sour, but the loyal opposition will have to answer for that. I am very reticent to speak under these circumstances, of which I am rather inclined to be ashamed as a Canadian. I hope that the Tory opposition will come to its senses, or show some form of responsible and constructive leadership soon in this House.

Mr. McGrath: We will; right after the next election.

Mr. Corbin: The sooner we get to an election the better, so the citizens of this country can deal with the promoters of this carnival that we have been witnessing from the other side of the House since this session commenced.

Mr. Paproski: Look who's talking.

Mr. Corbin: That is right. I have the floor, so you keep quiet.

[*Translation*]

Mr. Speaker, for a few days now, like some other members, I have had a feeling that I am wasting my time listening to the political speeches of the members of the opposition. I have always felt a certain amount of respect for the House of Commons but, since I have come here, I have much less respect for some of the members, who whine and whimper, complain for nothing and about everything, refuse to see the other side of the coin, ridicule, destroy and try to undermine the confidence of the Canadian people in the government and its ability to rule, in spite of failures which, very often, are none of its doing.

Obviously, the members of the opposition are making speeches these days that pertain neither to the Speech from the Throne nor to the routine proceedings in this House, but indeed to the coming election campaign. Yet, their constituents elected them to co-operate with the government when the time comes to pass good legislation such as that contained in the Speech from the Throne. In fact, the opposition has systematically tried to obstruct the passage of many bills since the beginning of the current Parliament. Their constituents will have the right to ask them to give an account of the quality of their so-called obstruction; frankly, I would hate to be in the shoes of a wavering Progressive Conservative, a foiled New Democrat or a swaggering "Caouettiste". I am firmly convinced that Canadians will renew the present government's term of office and strengthen it both as to quality and quantity.

I have had the privilege, Mr. Speaker, of serving for nearly four years now the riding of Madawaska-Victoria. I have served it loyally, honestly and with great dedication. In spite of the distance separating me from my riding, I have still been able to remain in contact with most of my constituents, mainly thanks to the co-operation of the regional weeklies and radio station and also to the indispensable communications tool of modern civilization, the telephone.

Before I go any further, I want to congratulate the mover and seconder of the Address in reply to the Speech from the Throne. I can tell the hon. member for Bruce (Mr. Whicher), whom we all respect here because of his dedication to the area he represents, I want to say that his continued energy and courage in the face of the repeated but futile attacks of the opposition are two of his major qualities, and we, government members, appreciate him for what he is, a man of integrity, a conscientious and energetic representative of citizens and interests of the riding of Bruce which I had the pleasure of visiting last spring, and of which I have excellent memories.

I must admit, Mr. Speaker, that I am a little less acquainted with the new hon. member for Trois-Rivières (Mr. Lajoie). I am, however, aware that he came to us following a by-election, determined to grapple with the problems of his region with the same determination as his lamented predecessor. I wish the hon. member for Trois-Rivière a long political career and great satisfaction in serving his constituents.

I can now speak, Mr. Speaker, of my own riding, of my province, and at the same time of the Atlantic region. I wonder where my riding would be now, without the millions of dollars the government has poured into it over the past four years. Quite recently, I was still meeting people who asked me to explain why so much money has been allocated to northwestern New Brunswick in recent years.

They are right, Mr. Speaker. For example, and this is far from being a complete account, in the field of education, the federal government has paid to the New Brunswick government $6 million for the construction of composite and trade schools in the Madawaska-Victoria constituency and in the field of culture, the Secretary of State has given to various groups grants amounting to $60,000.

Under the Opportunities for Youth program of 1971, the young people of my area have received $90,000.

Under the Local Initiative Program of 1972, my area has now been awarded by the federal government a total amount of $1,150,000 to create 800 jobs.

Under the regional economic program, many industries have obtained from the department concerned grants totalling over $6 million.

The Central Housing and Mortgage Corporation has granted loans for some $3 million, thus encouraging the construction of low-rent housing and older citizens' dwellings, a thing which had never been done previously.

In agriculture, because of a very desperate situation, especially for potato growers, the federal government twice came to the help of the industry, by paying millions of dollars for price support.

The government has also helped to finance improvements to the regional airport at Edmundston, and the fight against pollution in the St. John River, by spending $3 million. It has provided several millions to improve the educational level of a large number of our fellow-citizens.

I do not want to run through the whole list, Mr. Speaker, and weary hon. members, but, apart from ordinary, administrative and current expenses for the numerous services offered by the Canadian government, the subsidies paid in the last four years have exceeded those of the 25 preceding years to reach a total of approximately $25 million.

I am being told that there is only one Progressive-Conservative member in the House. I do not believe that he is listening to me, that one. But there is nothing new in that.

The people of New Brunswick Mr. Speaker—

• (1510)

[*English*]

Mr. Dinsdale: I am listening to every word.

Mr. Corbin: You are very kind; I thank you and I congratulate you.

[*Translation*]

—are presently under a Progressive Conservative government and I wish you would find time to make a short visit in my poor province to see what is going on. I wonder how long still this government could survive without the substantial financial contributions it gets from the federal government.

Since the beginning of this session, as in previous sessions, we have heard numerous criticisms directed against the Minister of Regional Economic Expansion (Mr. Marchand) as to the true effect of his subsidies on industrial

development in the various areas of this country, and especially in the Atlantic region.

I for one have news for the members of the opposition, if they will bother to listen a minute. I shall quote an article which appeared on January 13, 1972 in *The Cataract Weekly* which, by the way, is a bilingual paper. The heading is as follows:

[*English*]

536 New Jobs Created in Grand Falls

[*Translation*]

This is my native village.

[*English*]

The town of Grand Falls and Victoria County have received as of September 30, 1971 from the Regional Development Incentives Act $3,139,900 which created 536 new jobs in this area. This places Grand Falls second only to Saint John, (the province's largest city) in the creation of new jobs during the past two years. Saint John has obtained the greatest number of new jobs, (1,197), followed by Grand Falls (536), and then by Moncton (311).

This fact was reported in the quarterly publication, "New Brunswick Economic Statistics", issued by the office of the Economic Advisor. The statistics are compiled since the Department of Regional Economic Expansion (DREE) announced its first approvals in October 1969 up to and including September 30, 1971.

[*Translation*]

So, Mr. Speaker, let not the members of the opposition come and try to make us believe that the programs for regional development are not successful. I invite them to visit my area.

Unfortunately, we have heard a lot about bilingualism today, although these questions also concern me enormously since I am bilingual myself and since I represent a bilingual area where the bilingual character of the citizens is respected.

However, I think that I am right in being concerned about the $4 million or so granted by the federal government for the benefit of the schools of the French minority in New Brunswick. I now quote an article published in the paper *Le Madawaska* on March 31, 1971.

The Société Nationale des Acadiens is concerned about knowing what will become of the $4 million granted by the federal government for the schools of the official language minority in New Brunswick and for the teaching of second languages.

The association takes advantage of a letter to the New Brunswick Education Minister to question him on that issue and to ask other questions concerning the training of teachers in the field of vocational education, the absence of Francophones in the vocational education division of the New Brunswick Education Department, the almost complete absence of French-speaking specialists in the curriculum and research division and what will become of the pupils attending the bilingual school in Fredericton now that the Health Department has condemned it.

I am glad to say that the matter of the bilingual school at Fredericton has been settled. A decent building has been provided for the young students and I congratulate the population of Fredericton for making that decision.

The fact of the matter is, Mr. Speaker, that the federal government granted $4 million to the province of New Brunswick, and I have learned from a reliable source, within the last few days, that those $4 million had been allocated to the General Income Fund of that province, so that absolutely nothing is done to promote bilingualism, certaindy not to the advantage of the New Brunswick minority. During the last few days, I got in touch with the Secretary of State and I asked for a report on that unfortunate situation.

The funny thing about all this is that the government which has to administer those $4 million is a conservative government which came to power in October 1969. And I quote now an article from a first-rate newspaper, *Le Madawaska*—

An hon. Member: A first-rate newspaper, indeed.

Mr. Corbin: Of course, as I was its editor during four years. But since I left it got even better.

And here I quote from that article published on March 6, 1969.

The Madawaska Progressive Conservative Association urges the government to act immediately:

At a general meeting of the members of the Madawaska Progressive Conservative Association that took place last Sunday under the chairmanship of Mr. Jim Morin at the New Royal Hotel in Edmundston, the following motion was unanimously carried:

Members of the Madawaska Progressive Conservative Association reaffirm their agreement on the principle of equality of linguistic chances in New Brunswick, regret the slowness of the provincial government in indicating its position and the steps which it intends to take, urge the government to act without further delay—i.e., in the next session—to make real the establishment in New Brunswick of a language system suitable for an officially bilingual province, and wish for complete support of those measures from both sides of the House.

The shameful thing, Mr. Speaker, is that the Conservatives who themselves wrote that resolution are now in power in New Brunswick and have done nothing to promote bilingualism. On the contrary, the population was able to realize the lamentable state of bilingualism following the film "*L'Acadie*" and the regrettable incidents which took place in Moncton.

How can you explain the lack of confidence of the French-speaking population of New Brunswick in the present government? How can you explain all the events which are taking place on the eastern and northern shores of New Brunswick? Can you blame those people for establishing their own political party, the Parti acadien? I would be ashamed to be a Progressive Conservative today! I would be ashamed to be in power in New Brunswick and be unable to serve the interests of the two founding groups of this country equitably, in a province which officially calls itself bilingual.

Fortunately, while receding in many areas, we have also made some progress. For instance, on August 25, 1971, the President of the Treasury Board (Mr. Drury) announced the establishment within the New Brunswick public service of two French-speaking units, one in Edmundston and the other in Bathurst. Those are two federal manpower centres designated by the federal government under its program for introduction of French-speaking units in the public service.

Contrary to the stupid criticisms expressed by many members of the opposition, I think that there is cause for congratulating the chairman of the Public Service Commission, Mr. John Carson, for his realistic approach in administering the laws and instructions of the Parliament of Canada, with regard to official languages. There is, of course, room for additional French-speaking units both at home in New Brunswick and elsewhere in Canada, and I

hope the present experience in this direction will prove fruitful and encouraging.

I note the absence from the House—and I hope it is a temporary one—of the hon. member for Carleton-Charlotte (Mr. Flemming), former premier of New Brunswick. These Progressive Conservatives do strange things.

As a matter of fact, the former premier of New Brunswick recently visited my riding for the first time since he was put out of office as provincial premier in 1960. He subsequently apologized because he had not met my fellow-citizens earlier and said a lot of rubbish in the same vein.

I would like now to quote and comment on an article which appeared in *The Cataract Weekly* of January 20, 1972. It is about a meeting attended by my hon. colleague from the South.

• (1520)

[*English*]

The Hon. Hugh John Flemming, former premier of New Brunswick—

[*Translation*]

—big fanfare and whatever you like—

[*English*]

—and member of parliament for Carleton-Charlotte, said Monday night that the federal government has never given proper explanation for the deterioration of the relations between Canada and the United States.

[*Translation*]

He was thus echoing some equally rambling and tenuous statements made earlier by his leader, the distinguished Leader of the Official Opposition, (Mr. Stanfield) in Edmundston, last fall. The hon. member for Carleton-Charlotte then proceeded with his speech declaring that it was impossible to imagine—

[*English*]

—two neighbours who live so close together and who have so many exchanges and things in common, to have bad relations with each other.

[*Translation*]

For my part, I have only one thing to say to the hon. member for Carleton-Charlotte and to his leader: if they see a problem in our friendly relations—and the relations between Canada and the United States are friendly—well then let them go to the U.S. and ask Mr. Connally for an explanation, and let them stop frightening themselves. And then—

[*English*]

He recalled that former Prime Minister John Diefenbaker didn't always get along well with the Americans,—

[*Translation*]

Yes, he was honest enough to admit it—

[*English*]

—"but he has never passed any legislation which was detrimental to us."

He never passed any worthwhile legislation, Mr. Speaker.

Some hon. Members: Oh, oh!

[Mr. Corbin.]

Mr. Corbin: If you can exaggerate, so can I, just to show how ridiculous your statements are, and that they do not stand up to criticism.

[*Translation*]

Those comments, Mr. Speaker, are unworthy of a grey-haired politician who was once the Premier of New Brunswick and who is considering my electros as bunch of ignoramuses. A man who used to be the Premier of New Brunswick should surely be in a position to contribute more constructively to such an important debate as that dealing with relations between Canada and the United States.

Mr. Speaker, my time is quickly expiring, I think that I still have a minute. I would have liked to discuss many other topics but I do not have enough time.

Before concluding, I would like to say that there is no greater honour for a member of any area whatever than to be in a position to rise in the House of Commons and defend the interests of his fellow citizens. As for myself, there is nothing I find more painful than seeing members from other areas rise in this House to disparage my area and my constituents. In my view, such an attitude should be condemned and the hon. member for Carleton-Charlotte, among others, will have to answer for such uncalled for assertations at the next election, and I certainly wish him a good one.

[*English*]

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, in commenting on the Speech from the Throne, I would like to deal with two or three things that I think are important to us as Canadians and as a country. In the main, I would like to point out to the government that what we need is a real opportunity for Canadians to build a better country, to control that country, and to play a real part in creating opportunities for those who live in it. The government has been pretty good on the creation of slogans but not too good on performance. We have been bombarded during the last two or three years with slogans such as "Opportunities for Youth". However, there has not been a real opportunity for our young people to get a job, to take part in the real, every day activities of this country so we set out a make work program and call it "Opportunities for Youth". If it had been called the "Make Work Program for Youth", it would have been more properly labelled.

• (1530)

The same thing happened to the farmers in western Canada. The government established the "Lower Inventory for Tomorrow" program and called it Lift. It was not expansion the government sought, but rather a combination of bribery and pressure to force the farmers to cut down the production of grain upon which their livelihood depended. The result was a serious loss of production and of farm income.

The "Local Initiatives Program" also has a very nice title, but from my experience the decisions are not made at the local level but in Ottawa or Winnipeg. A lot of work has gone into this program at the local level. My figures are probably not accurate, but in my constituency there would have been something in the neighbourhood of 56 applications. Of these, two were withdrawn, 11 approved and 15 rejected. I am only able to put these figures togeth-

er by reason of seeking information from the Department of Manpower and Immigration, from the provincial government and by writing letters to those who initiated programs to ask if they were rejected or approved. Those who initiated the two that were withdrawn got tired of waiting. One person wrote to say that the young people had picked up stakes and gone somewhere else to look for work because they could not afford to wait any longer. I am happy to say that some of the projects were approved, principally in the city of Saskatoon, and resulted in some employment. I make this point because if the government adopts this program as an alternative to an economy that would provide jobs, then I fear for the future of this country.

Just a few minutes ago one parliamentary secretary made some remarks about what the Canadian unions should do because a leader of the American unions said they would support the DISC program. Surely, he is aware that it does not matter very much what the Canadian unions do; the Americans will continue with whatever program they decide upon. The power and the responsibility to meet the American policies rests with the Canadian government and there is no use trying to slough it off on the Canadian unions. There is no use either trying to slough it off on the industrialists in Canada who are involved in manufacturing automobiles. They are probably trying to work out some deal with the Minister of Industry, Trade and Commerce (Mr. Pepin). It is the government's responsibility to meet the situation as it exists. This means that they have to control the Canadian economy by one means or another and not simply delay the day of reckoning.

Charles Lynch, who is not very anti-government—

Mr. Rose: Is that called an understatement?

Mr. Gleave: You could call it that. In a recent issue of the Ottawa *Citizen,* when describing some of the programs I have mentioned such as Opportunities for Youth and others under the heading "The New Pork Barrel" wrote:

> Culture in particular, has become the new pork barrel in terms of jobs provided together with the new department of the environment and the department of regional economic expansion. They don't call it a pork barrel any more, of course—it's called improving the quality of life.

While these programs are draining the energies of Canadians and making short-term attempts to meet long-term problems, the real needs of Canadians and the real flavour of life in Canada is being neglected, and in some cases is rotting away. The just society that we heard about in 1968 is further off than it was when this government came to power. I was intrigued to hear the hon. member who seconded the Address in Reply to the Speech from the Throne declare, like Horatio on the bridge, that the just society had arrived. I do not know how he could tell; somebody must have sent him a telegram.

I want to go on now to one of the important matters concerning western Canadians at the moment, the transportation of our grain to the west coast and the movement of that grain into vessels. The situation is so serious that in a pamphlet issued by the Canadian Wheat Board it is stated that we are in danger of abdicating our role as an exporter of grain, and that we face a real crisis in the movement of grain. As far as I know, there is no program to meet this situation. An article by John Clark in the *Globe and Mail* was headed "Is the Vancouver Port Strangling?" As western Canadians, we have been aware for a long time—but I do not think the message has reached the east yet—that a heavier and heavier volume of grain was going to the port at Vancouver and that something should be done to meet that situation.

The other day a spokesman for the Canadian Wheat Board, a Mr. Hope, pointed out that there was only a single track railroad from the Prairies to Vancouver. This has been known ever since the days of Sir John A. Macdonald, when the first track was laid there. That is not news. We have known for a long time that there is inadequate storage on the west coast. That is not news. We know that almost every year there is a crisis in supplies of grain available for loading on board ships at Vancouver. We know that, and the government has not developed any plan to meet that situation. The last new storage facility was built by the Saskatchewan Wheat Pool at a cost of about $25 million and it has been estimated that we could use over $50 million worth of additional storage facilities.

• (1540)

Instead of pouring money into odds and ends of programs across Canada as though we were pouring sand down a rat hole, because many of these programs will be forgotten after next spring, would it not make more sense if we were to spend our time and money improving transportation to the west coast, building storage facilities at the west coast and creating harbour facilities there.

Some hon. Members: Hear, hear!

Mr. Gleave: The government has failed to undertake such a program, and I do not know why. When an American company decided to move coal from Alberta and British Columbia to Japan, we built a whole new facility for them on the west coast. Yet we cannot seem to organize ourselves in order to build the kind of transportation and storage facilities we need to serve an industry that has been viable in Canada since the turn of the century—since confederation, in fact. We have not been able to do that, partly because there are ministers on the government side who insist on regarding the grain growing industry as a declining industry instead of an expanding one, and who much too often have displayed a negative instead of positive attitude toward the industry as a whole. They put too little muscle in moving our products where we want them.

According to a recent press release, the Minister of Agriculture (Mr. Olson) announced a policy for accelerated storage for corn, and the establishment of grain dryers in eastern Canada. He suggested that the government is not at this time going to do anything about primary elevators in western Canada because we have to await policy development. In view of the situation existing on the west coast, can anyone tell us why provision was not made for accelerated depreciation, so that any grain company which built storage facilities on the west coast could write off the value for depreciation purposes in four years? If an emergency exists in Canada today in any area, it exists on the west coast in the field of grain storage. Perhaps failure to provide for this accelerated depreciation was an

oversight. Accelerated depreciation would certainly encourage either a co-operative or private grain company to build storage where we need it. Could the railroads not have been given accelerated depreciation allowances for building a couple of thousand additional hopper cars for moving grain to the west and so ease pressure on the railroads. The reports of men who run the railroads—and I am not talking about the fellows in the executive offices but about the boys who run the locomotives—indicate that the railroads could use these extra cars. Mr. Speaker, I am not out to condemn the railroads. Actually, I believe the railroads rented or leased additional motive power to try and meet the situation. Nevertheless, the problem exists, and it has been met time after time and year after year on an ad hoc basis. The government has been operating the transportation end of the grain business on a do-it-today and forget-it-tomorrow basis. That is the situation we have faced. Unless these tactics are changed, we shall be in increasing trouble.

May I now refer to the minister in charge of the Canadian Wheat Board? I think the same minister still has responsibility for the Wheat Board.

An hon. Member: He is caretaker until the next election.

Mr. Gleave: The hon. member is right. The grain rationalization study has been released to grain companies, provincial governments and railroads. Actually, I do not know who has it. Yet he will not release it to the members of this House, and he will not release it to the public. While that study is sitting there, its contents unknown to us, decisions are being taken which affect the very heart and life blood of our industry. Should we consolidate ownership of elevators on the prairie? I do not know what the report says about that. Should we expand the use of interior elevators? I do not know what the report says about that. Of course, if the report contains no more than did the one on oil seeds, it does not matter very much whether it is made public or not. The report on oil seeds was a study which was strong on philosophy but short on recommending action. It has been lying in its pigeon hole and nothing has been done.

Mr. Rose: It has gone rancid.

Mr. Gleave: It has gone rancid; the hon. member is dead right. We need a positive and expanding approach to this particular problem, Mr. Speaker.

Finally, I should like to ask the government to tell us what its policy is for agricultural in total, not just for grain, but for the total agricultural picture. I notice that when the Prime Minister (Mr. Trudeau) announced in Quebec the subsidy which was to be paid on hogs, his statement attracted a great deal of attention throughout the country. Parts of it were published in an editorial of the *Western Producer*. The Prime Minister is reported as having said:

> Agriculture will not be able to meet the challenge of the future if it does not become economically independent.
>
> Like any other industrial sector, it has to operate and will have to operate without subsidies, without outside aid, as a mature organism that has developed its full potential.

That statement, especially the last part of it, must take the prize for gobbledygook so far in 1972. I wonder what the Prime Minister meant when he said that agriculture must become a mature organism. Along with fishing and a few other occupations, agriculture is one of the oldest occupations known to settled man.

Mr. Rose: It is not the oldest profession.

Mr. Gleave: I was speaking of man.

Mr. Rose: Oh, I see.

Mr. Gleave: Since I know the hon. member and know how his mind works, I know how to take what he says. How in the world will the Prime Minister, in his wisdom, know when agriculture has become a mature organism? Will it be when we have farms of thousands of acres each or while we have farms consisting of 500 acres each? Will it be when 50 men operate a farm, or two? Will it be when a farm is capitalized at $50,000 or $200,000? There is no mention of the benchmark which the Prime Minister has used.

• (1550)

He said that, like any other industry, it will have to operate without subsidy and without outside aid. What nonsense it is for a government which has been handing out money in great gobs to sectors of industry all over Canada to maintain that the industrial sector operates without subsidies. I remember the premier of Saskatchewan saying that if you apply that yardstick to industries, you will see a lot of them disappear, particularly those east of the Great Lakes. Let us not have this kind of economic nonsense expressed to people in the expectation they will believe it.

Shortly after, the Minister of Agriculture (Mr. Olson) found it necessary to write a letter to the Ottawa *Citizen* because his department's policy had been attacked by Mr. MacEachern. In fact, he said the Department of Agriculture had no desire to control the size or number of farms. He said that the department believes this decision should rest with the individual farmer. He contradicted Mr. MacEachern who said that the Department of Agriculture is a dying organization. It is a long way from dead, Mr. Speaker. It is half starved, but it is still running. People are still keeping watch at the old stand.

At the same time the minister is protesting about the construction that is being put on the actions of his department, he is doing two or three things which will probably have different results. He has introduced the farm credit corporation bill which will increase to $100 million the amount the corporation can lend. This of course, will encourage much larger farms. At the same time, he says he is in favour of the family farm, and denies that he in any way wishes to accelerate the trend towards larger farms. When you hear these contradictory statements, you wonder what the objectives of the Canadian farmer should be and where he can go.

One of the biggest problems facing any adjustment in agriculture is the lack of employment opportunities in Canada. Even those people who wish to seek a job outside of agriculture have a great deal of difficulty doing so. I am sure other members have had the same experience as I, that people have written or telephoned from the constituency asking if any jobs are available. It is now almost a

privilege for young or old people in Canada to have a job and some security. This is the one thing that is necessary.

I think I have covered the main points I wish to put before the House. The government of Canada, not only in relation to the grains industry but to other sectors as well, should be spending our money and using our talents to develop this country. If we insist on leaving this to international finance and international industry, our country will be exploited. In all probability, they will not build the kind of Canada that we want. It will be tailored to their needs, objectives and desires. Canadians will then have to do what they can with what remains. They will be left to clean up the mess that has been left behind. We will be ravaging the garbage dumps that these people leave behind for us.

Hon. Alastair Gillespie (Minister of State for Science and Technology): Mr. Speaker, I welcome the opportunity to participate in this debate this afternoon. It is an opportunity to deal with certain measures raised in the Speech from the Throne. I will deal with those shortly.

First, may I say I listened with great interest to the hon. member for Saskatoon-Biggar (Mr. Gleave) as he set forth some of the problems from his vantage point today. His is a vigorous voice, one we have listened to with considerable interest during this Parliament.

I would like to trace the development and emergence of a science policy in Canada. I would like to go back to the sixties for a moment, and take Your Honour and hon. members back with me. The sixties was a decade of quickening change, a decade of tension. For some, it was a decade of fear. These were the years that followed immediately upon Sputnik. These were the years when the young president of the United States said, we will put a man on the moon in ten years. These were the years of nuclear threats and fallout, deterrents and confrontation over Cuba. Yes, they were years of fear of war in Vietnam, of new technologies, napalm and new instruments of death.

They were also years of computers and more automatic ways of doing things, programming and depersonalization as far as the human dimension is concerned. It was a period of rapidly rising consumption, so rapid that our oil consumption doubled in the space of that 10 years. It was a period when our consumption of electrical energy doubled again. It doubled in the 10 years during the fifties and doubled again during the sixties. It was a decade when people started to ask themselves where population growth is taking us. They asked if the resources of this world could support the rapidly growing populations of the world.

These were the years when people talked about pollution, when new words became by-words. I refer to such words as environment and ecology. These are not words that we saw or heard in the fifties. If you read the speeches of hon. members and look at the press reports of the fifties, you only rarely find the kind of preoccupation that we now have as we start the seventies with words and processes like pollution, environment and ecology. This was a period when the drive of man shifted slightly from economic growth at all costs to economic growth and quality of life considerations. These were the sorts of pressures which gave rise to the emergence of science policy questions. It was these things that the OECD Committee on Science Policy was formed to look at.

I wish to read a paragraph from the last Speech from the Throne. This is reported in *Hansard* for October 8, 1970. This government, recognizing the need for instruments to deal with science policy questions, said:

• (1600)

> There exists in Canada a great wealth of untapped and uncoordinated scientific talent and experience not now adequately utilized in the quest for solutions to our modern problems. In order to serve better the industrial and technological sectors of our economy, as well as Canada at large, a programme will be introduced to gather and focus these sometimes divergent and competitive scientific resources. In this respect the government will consider with care measures recommended by the Senate Committee on Science Policy and the Science Council of Canada.

That is an extract from the previous Speech from the Throne. Out of it sprung, as we now know, the government reorganization bill, the bill which created the ministry of state concept. My ministry, the ministry of State for Science and Technology, was the second to be proclaimed following the passage of that reorganization bill. I want to talk about the follow-up of that Speech from the Throne in the time available to me this afternoon. Let me go back to the debate on the organization bill and in particular to the remarks of the President of the Treasury Board (Mr. Drury) when he introduced the proclamation giving effect to the Ministry of State of Science and Technology. He said, and I quote from his speech as reported at page 7166 of *Hansard* for June 21 1971:

> It was only in the last decade—the sixties—that countries first began to consider science as a significant factor in national policy and to seek organizational structures to recognize this fact. As members are aware, it was the Royal Commission on Government Organization, the Glassco Commission appointed in 1960, which first made a comprehensive study of this subject in Canada and reported on it in January, 1963. As a consequence, as early as 1964 the government of the day established a science secretariat within the Privy Council Office to provide a focus for policy co-ordination of those matters which had a significant content of science and technology.
>
> About the same time, a major study was made on behalf of OECD by a distinguished group of international consultants headed by Pierre Piganiol, formerly Délégué Général de la Recherche Scientifique of France. The report of this group had a major influence on the creation of science policy bodies in many countries and was consistent with what had already been proposed in Canada.

He went on to say:

> With your permission, Mr. Speaker, I would like to refer to a number of important observations in this report of experts. I quote:
>
> > A nation needs a comprehensive and consistent policy for the support and advancement of science, because there are more opportunities to advance science and technology than there are resources available to exploit them all. The term "science policy" is ambiguous. It too often connotes only a policy limited to the needs of science per se, and excludes the effects of science and technology on the full spectrum of national policies. Maximum exploitation of scientific opportunities requires programs that combine concern for the growth of science itself and provision for the rapid, deliberate application of its fruits to human welfare. That is the substance of science policy in the full sense, as denoting consideration of the interactions of science with policy in all fields.

Those paragraphs summarize in a few words the essential thrust of science policy and of this government's

direction of science policy matters. The Order in Council which gave effect to my ministry spelled out a number of activities which it expected the ministry to perform. I should like to place them before hon. members because I believe it is relevant to the development and emergence of science policy in this, the first ministry of science and technology in Canada, under its first minister. The Order in Council stated:

> The Minister of State for Science and Technology shall formulate and develop policies with respect to:
>
> (a) the most appropriate means by which the government of Canada may, through measures within its fields of jurisdiction, have a beneficial influence on the application and development of science and technology in Canada.
>
> (b) the co-ordination of programs and activities regarding science and technology with other policies and programs of the government of Canada, and
>
> (c) fostering of co-operative relationships with respect to science and technology with the provinces, with public and private organizations, and with other nations.

There is another paragraph I should like to quote.

> The Minister of State for Science and Technology shall in relation to the formulation and development of the aforementioned policies assist departments and agencies of the government of Canada in the formulation and development of advice to the Governor in Council with regard to:
>
> (a) the optimum investment in, and application of, science and technology in pursuit of national objectives.

I hope in the time available to me this afternoon to comment on some aspects of the responsibilities which have been assigned to the ministry and to the new minister. In particular, I shall be dealing with the statements made in the Speech from the Throne this year which the House is now considering. Before doing so, however, I should like to deal for a moment with the question of science policy itself. What is a science policy? Science policy is becoming an "in" phrase. The more one mentions it, the better it sounds, and the better it sounds, the more often it is used to support a particular point of view or is offered as a solution to a series of problems. It might be helpful if I were to tell the House what I think science policy is not. For instance, I do not think science policy is a document or a constitution for science. Many people have asked: Will the government produce a science policy?—implying perhaps that the government might produce a white paper or some new framework within which all measures of public policy which relate to science and technology can be fitted.

This is not my conception of a science policy. It is not a neat, compact matrix in which inputs on one side are matched by outputs on the other. It is not a simple set of priorities, either. If it were, it would be easy and we would have had a science policy in those terms long ago. No, Mr. Speaker, science policy is none of these easily defined things. A science policy is a living and evolving thing. It is essentially interactive, something that interacts between social and economic policy, on the one hand, and scientific resources, on the other hand. It is supportive. It is a practical thing, not a theoretical concept.

• (1610)

I think it is important here to note that the ultimate test of any policy is whether it will work. A science policy is no different from any other policy. This is why the test that

[Mr. Gillespie.]

the new Minister of State for Science and Technology has adopted is toward the practical, toward the pragmatic. The direction of the new ministry will be that of answering and meeting the test of whether something will work.

There have been a number of recent reports published. We have report No. 15 from the Science Council "Innovation in a Cold Climate", and since then a second report by the Senate Committee on Science, sometimes referred to as "Lamontagne No. 2", both of which refer to the need for an industrial strategy.

The Speech from the Throne anticipates this particular question in this passage, as reported at page 2 of *Hansard*:

> Our economy is dependent, as are the economies of all industrialized countries, on the imagination of entrepreneurs and their use of research and innovation, as well as upon a rational industrial strategy. You will be informed in months to come of government proposals for improved policies in these areas which will be of immense importance to the long term development of our country: of policies for the use of science and technology designed to contribute not only to industry but to the qualitative improvement of the life of Canadians, of an industrial strategy prepared for the peculiar character of the Canadian economy. The basis of each will be spelled out as the session proceeds.

That particular paragraph emphasizes such things as innovation, entrepreneurship, policies for the future, long-run benefits, policies that are not peculiarly devoted to industrial growth; peculiarly Canadian, yes, but policies devoted to the quality of life of Canadians as well as policies that are devoted to industrial growth.

The next page of the Speech from the Throne contains another reference I should like to cite regarding my ministry:

> Closer scientific and technological co-operation with other countries can be expected.

This is the second item with which I should like to deal in my remarks this afternoon, but firstly may I go to the question of innovation and some of the questions that are being raised by the report of the Science Council, No. 15, entitled "Innovation in a Cold Climate". This report sets forth a number of impediments to innovation. It lists, for example, these sort of things on page 28 of the report: an inadequate technology base; limited market size and market access—and those who are close to the chemical industry of Canada will, I think, recognize the serious problem of market access and market size.

The third main area the report lists is the poor climate for investment. Here, I think the report is primarily concerned with the lack of maturity in our underwriting institutions when it comes to innovation. The United States banking system in many instances seems to be better able to support innovation because there are more units and more specialists on innovation.

The report also speaks of inadequate management skills. I have on previous occasions drawn the attention of hon. members of the House to the fact that management skills in Canada are not up to the level of management skills in the United States. I have also cited figures relating to the number of graduates and the need for more support—which, let it be known, is a provincial responsibility for the most part—for the business education type of course in our universities.

The report also refers to multinational corporations and to a more recent and separate study, a green report, from

the Science Council dealing with direct investments and multinational corporations.

I do not propose to list all of the difficulties or the peculiar problems facing innovation in Canada, but I should like to refer to one of the recommendations made in the report to the effect that the federal government should use its purchasing power to support innovation in Canada. At page 40 the report indicates that wherever possible the government's purchasing powers should be used increasingly as a tool for implementing national industrial strategy.

The Lamontagne committee report "Targets and Strategies for the Seventies", the second report of the committee, goes into rather more detail with respect to the contracting-out principle. I should like to tell the House that the government of Canada supports the contracting-out principle so far as research and development is concerned, and will seek to advance it wherever possible.

At the present time my ministry is involved in working out criteria with respect to the contracting-out principle. I should like to say that I have appealed, through an open letter in a publication called "Canadian Research and Development" to those in industry and elsewhere to assist me with some suggestions as to how the contracting-out principle might be made more effective. The essential question so far as the contracting-out principle is concerned is, I think, that of spin-off benefits. When research is done in industry it is more likely to generate spin-off benefits which the industry or firm concerned may be able to design or to innovate as a commercial product or process.

This open letter addressed to the research community in Canada posed four questions. One, what are the special areas in which Canada could profitably concentrate with a hope of establishing a competitive position? Two, is there a role for the industrial research association in industries other than pulp and paper? Three, how can the support of research in academic institutions be turned to industrial benefit? What is the place of full-time research institutes? Four, do you know of any work done in government laboratories which could be done more effectively and more cheaply in industry? I am happy to say there has been a response to that letter and that I have received a number of suggestions on these points from private industry.

I should also like to talk about some of the other thrusts of my new ministry this afternoon. I have indicated that we will be concerned and we will give priority attention to industrial innovation and to research and development in Canadian industry. But there are other important areas where we have taken initiatives as well. The first one has to do with the supply and demand of highly qualified manpower. Some of you may have read the Science Council's study which was published within the last six months which indicated that there may well be serious problems in the coming year from the point of view of the balance between the supply and demand, the number of PhD's graduating from Canadian universities and the number of positions available to them in their own specialty. We have initiated a program aimed at establishing, measuring the stock of highly qualified manpower in Canada. We can update this stock by adding to it university graduates and immigrants as immigration takes place, and of course adjusting it by deaths and emigration. Part and parcel of this particular study is working with Statistics Canada in developing a program to measure the demand side of highly qualified manpower.

• (1620)

Basic research is yet another element in the whole area of science policy, and I think you will judge from my remarks this afternoon that when I spoke about science policy I was indicating elements of science policy rather than the conceptual framework sometimes used to describe science policy.

Now, I would like to say a few words about basic research. The Lamontagne committee has made a number of recommendations with respect to basic research. There are 45 recommendations in the second volume, a significant number of which touch upon the question of basic research in Canada. The Science Council also published a green report, that is to say a special background study, on the question of basic research in Canada. At the same time, I am delighted to say that the universities have recognized the special questions in this area and the Association of Universities and Colleges in Canada, under the joint chairmanship of Dr. Bonneau and Dr. Corry, is examining the whole matter of the rationalization of university research in Canada. We will be very much involved in developing criteria for federal support of basic research, and we intend to stress quality rather than quantity. The idea of centres of excellence has considerable appeal for me and my ministry. The concept of centres of excellence will be given a high priority.

I have referred to other areas where you can expect initiatives from the new ministry in the future. Let me go back to the areas of high technology for a moment. These areas affect both the industrial growth of the country and the quality of life in Canada, perhaps in its broadest sense. I refer to such areas as the computer industry, and high energy transmission. At Varennes, Quebec, there is a research enterprise, without question a world leader in high energy transmission. Nuclear power, space questions and transportation—these might all be described as national infrastructure areas of high technology. They will affect the quality of Canadian life and, I hope, they will represent important industrial opportunities in the future as well. We will be looking at the rather special questions of the north on a multi-disciplinary basis and we will be looking at the oceans as something of peculiar and major significance to Canada.

I referred in my opening remarks to another aspect of our responsibilities and I quoted from the Speech from the Throne referring to greater co-operation in international science and technology. I am delighted to report that in the few months of the ministry's existence—it is just about six months—we have been also able to organize a major mission to Japan. This mission will be 40 members strong. It will be drawn, roughly, one third from industry, one third from universities and one third from government service. I think there is a rather special reason to go to Japan. The percentage of the research and development activity in the two countries is comparable. Many people have criticized the Canadian research effort in that it is too basic research oriented, that 23 per cent of our research goes into basic research. The situation is

similar in Japan, and orders of magnitude are comparable as well in development and innovation. It seems to me that the significant difference appears in the performance sector.

In Japan, roughly 60 per cent of research is done in industry, whereas in Canada less than 40 per cent is done in industry. Secondly, in Japan roughly 55 per cent of the research and development expenditures are paid for by industry while in Canada about 30 per cent of research and development expenditures are paid for by industry. So from the point of view of the proportionate emphasis on activities, the support for and the performance sectors, these are all of particular interest to Canada at this time, and we would hope, with our Japanese opposite numbers, to identify areas where, through mutual exchange, we can both profit. There will be eleven Canadian groups in eleven different specialties meeting the Japanese groups. I do not think I have time to list them all.

In the one minute left to me I should like to state that the Lamontagne Committee report to which I have referred several times this afternoon will be given very careful attention by my ministry.

In conclusion, let me ask: how do we find the right place for science in politics, and put it there? I should like to quote to you from the "New Statesman" of September 10, 1971 as follows:

> Science is too important to be left to the scientists: if there is one message to emerge from the annual meeting of the venerable British Association for the Advancement of Science, this is it. Scientists are unfitted to the task of shepherding the creature they serve ... Who is to control it? During the past week eminent members of the scientific establishment have expressed wildly divergent views on the relevance of science and technology to society. But in the end the decisions—or some of them at any rate—have to be taken by politicians. They, in the name of the public, must therefore learn that the position of science in our society has changed—that it now occupies the centre of the stage. How do we find the right place for science in politics, and put it there?

The Acting Speaker (Mr. Boulanger): Order, please. I know the minister is about to complete his remarks but his time has expired. Is there unanimous consent to allow the minister to continue?

Some hon. Members: Agreed.

• (1630)

Mr. Gillespie: Mr. Speaker, I thank hon. members for their co-operation and I will not take advantage of their good nature. I will bring my statement to a rapid close. It seems to me that the central question is: how do we find the right place for science in politics, and put it there? That is the central question that I and my ministry are concerned with; that is the reason the government created the Ministry of State for Science and Technology. That is why the words in the Speech from the Throne that I have quoted are so important.

It is this perspective which distinguishes this government from other Canadian governments and, in my view, it is this perspective which distinguishes this government from the opposition parties.

Mr. Ambrose Hubert Peddle (Grand Falls-White Bay-Labrador): Mr. Speaker, it seems to be the normal thing around about this time, with a federal election imminent, for a member either to take a trip up one side of his riding and down the other, mentioning all the place names and so on, or to try to catalogue in the half hour available all the deficiencies and shortcomings of the government.

Mr. McGrath: That would take days.

Mr. Peddle: There isn't enough time, because if I started now to name all the place names in my sprawling riding I would go well over the time allotted, and if I tried to enunciate and enumerate the deficiencies of the government I am afraid this would take several hours. I am sure the House would not give me that courtesy.

I have already personally congratulated the hon. member for Bruce (Mr. Whicher) on his loyalty to his floundering party, and on his valorous attempt, in moving the Address in Reply, to make the government appear credible and responsible, and deserving of further support from the Canadian people. Despite the hon. member's effort, Mr. Speaker, I cannot help but feel that he was fighting the old axiom that you cannot make a silk purse out of a sow's ear.

The type of Throne Speech that we heard recently is the type you would expect in a country that has all its other problems solved and could afford the luxury of preoccupation with the aesthetic things. In the speech there is mention of Heritage Canada, vast spaces, rugged coasts, babbling brooks, throbbing vitality and serene tranquility. It is a typical Trudeau presentation, the presentation of a Prime Minister who is very affluent in his own right, a man who has never experienced the pangs of poverty or the torture of unemployment.

An hon. Member: Like Frank Moores.

Mr. Peddle: Maybe like Frank Moores, but I am not talking about Frank Moores. I am talking about a man who has never known the responsibility of having to support a family, always faced with the problem of trying to spread too little too far. This is the type of speech we have had, the presentation of a Prime Minister who can never understand or appreciate such things. He never experienced them, he has never been exposed to them, and I suppose in sweet charity we have to understand that.

I regard the Speech from the Throne as largely the impractical prattlings of a poet, of a romantic who becomes positively ecstatic at the smell of a rose or some other flower, and obviously becomes nauseated at the smell of such things as a barnyard, cod fish, or the other things we have in Canada.

Mr. Foster: Tories?

Mr. Osler: What do cod fish have to do with barnyards?

Mr. Peddle: Mr. Speaker, I was trying to make a point, and obviously I made it or we would not have had these interruptions from hon. members opposite.

I note with interest the so-called cabinet shuffle. I suppose, as in any other endeavour, we have the shuffler and the shufflees. The Prime Minister was the shuffler, and the people who were shuffled were the shufflees. A number of them are going around saying they were promoted. The former minister of finance says he was pro-

moted to National Defence. In my opinion he was not promoted; he was rescued. And we have the new Minister of Finance (Mr. Turner) saying he was promoted. Mr. Speaker, he wasn't promoted; he was sacrificed. The same applies to the former minister of consumer and corporate affairs, who made so many bad friends with the competition bill. He, too, in a sense was rescued, and his successor was sacrificed. I think the shufflees recognize the real positions in which they find themselves.

The government stands by its record of tax reform. Members of the government say that it meets with the approval of the majority of the Canadian people. If the tax reform was so good and so well accepted by the Canadian people, why was the minister who introduced it not left in his post for the final test? Why was he rescued and spirited away to the non-controversial position of National Defence? This is the real meaning of a cabinet shuffle. While it may be presented to the Canadian people as something in their interest, it is nothing more or less than political strategy to save some ministers and sacrifice others. Is it real concern? No! But there is no question about the political strategy.

Mr. Foster: Did somebody say "Burgess"?

Mr. Peddle: Burgess doesn't enter into this situation, Mr. Speaker. He is being properly dealt with.

Today we have the worst unemployment situation that the country has ever known. Unemployment is rampant. Upwards of 8 per cent of the Canadian work force is unemployed. But what is the pet subject of the government? Despite the tragic unemployment situation, members of the government feel they have to have an issue to divert the minds of the people from unemployment. So what do they come up with? Where is their emphasis now? It is on Canadian nationalism.

They have to have something to stir the Canadian people up, and so they say we have got to redeem ourselves from United States economic domination. Why don't they realize that we have 8 per cent unemployment, and that that type of an issue, in all common sense, must wait until we have taken care of some of the real priorities? They talk about economic domination and the jobs created in Canada as a result of American investment. Do they want the unemployment rate to double to 14 per cent or even 20 per cent? The people who are unemployed and those who recognize the terrible unemployment situation will not appreciate that very much.

• (1640)

When I heard the Speech from the Throne, Mr. Speaker, I was embarrassed for His Excellency who had to read it. The speech confirms my suspicion that the Prime Minister is totally out of touch with the needs of the people. There is no question about that in my mind. The speech indicates that unemployment is of great concern. Bully for the government—what an admission! With a federal election imminent hon. members opposite are trying to justify what has happened in this country over the last four years. I cannot say that I blame them for trying, politics being what it is.

An hon. Member: It has been a disaster.

Mr. Peddle: But I blame the Canadian people if they are duped in the coming election as they were duped in 1968.

Now, I should like to touch on another subject and perhaps it will not be too long before I hear cries of "bigot" from the other side. The moment one raises the question of bilingualism and biculturalism, the long finger points and there is the cry of "bigot". I am not a bigot and I do not want to be called one, but I reserve the right to raise the question.

Mr. Dinsdale: You are a Canadian.

Mr. Peddle: A week or two ago a question was raised by the Premier of British Columbia, and the reaction of the Prime Minister was so great that his finger almost stretched from here to British Columbia as he cried "bigot". I do not think the comment was necessarily bigoted and I do not think that what I have said is bigoted. There is no bigotry in me. In my 12 years or so in public life I have always been subjected to majorities—religious majorities, political majorities, racial and every other kind of majority. When I was running in municipal and provincial politics, if someone had suggested to my opponent that he stress that he could get a better deal for them because he was one of them, there would not have been anything wrong with that. I would not say those people were bigots. What is wrong with people exercising their majority?

At the risk of being labelled a bigot, I cannot help feeling that for the past number of years the tail has been wagging the dog in this country and that is not a good situation. People who know more about this than I do know that minorities are inclined to be prejudiced. If the English speaking people of Canada were in the minority today, and I was one of that minority, I honestly feel I would be prejudiced because that is the way with minorities. But that is no good reason for the majority being afraid of somebody pointing the finger at them and calling them bigots. The big weakness of the majority in this country is that they have this fear. They know whether they are bigots and I know whether I am, but I defy anybody to say that I am.

Some hon. Members: Hear, hear!

Mr. Peddle: Mr. Speaker, I think there is a great danger of the majority in this country or any other becoming too magnanimous. This is the situation in the United States where the majority has become afraid of the minority pointing its finger and saying "Be careful you don't become a bigot". They should not feel that way. Personally, I have no bigotry. If I order a hamburger in a restaurant I do not care whether I order in English or French. If it were a Chinese restaurant and I knew Chinese I would order it in Chinese—just as long as I got the hamburger. But a lot of people think that if you go to a Chinese restaurant you should order in Chinese and if you go to a French restaurant you should order in French, whether the staff speaks the language or not. I believe that is nonsense.

I agree that there is a difference in the temperament of people, but I think this aspect is being exploited. I really believe that the temperament of the different racial origins of Canada is being exploited by irresponsible politi-

cians. I believe that our friends in the province of Quebec are interested in the same things as the people of any other province in Canada. That is not B and B, bilingualism and biculturalism, but B and B meaning bread and butter, or meat and potatoes if you like. That is the basic need of all people, and it is the basic need of the people of Quebec as it is of the people of Newfoundland or any other province.

Some hon. Members: Hear, hear!

Mr. Peddle: The other thing that has been foisted upon us is the view of the long-haired intellectuals that nobody can figure out what it is the people of Quebec want. There is no mystery. They want the same as any other Canadian, not a living passed to them on a platter but the right to earn a living. This is a very careful distinction. They want the opportunity to earn a living. I say, Mr. Speaker, if that opportunity were given to the people of Quebec it would minimize what are known as the problems of national unity. I should like to see that tested. I do not really mind these so-called intellectuals who write articles and get on television and radio and say that the people in Quebec want something that nobody can put his finger on, that it is something mysterious. But I have known a lot of people from Quebec and I cannot see that their basic needs are different from those of other people. However, I cannot understand why irresponsible political people want to make something different out of this and present issues to the people which are not true. I think that is what is happening today.

Mr. Paproski: Shameful!

Mr. Peddle: We had in Newfoundland what was known as the Salt subsidy program for fishermen, but when this government came in it decided to abolish it. They chose the minister from Newfoundland, the then minister of transport, to enunciate their views. What he said was, "Look, this is a bandaid program." That was back in 1968. He suggested that this government had finished with bandaids and said, "We will not have any more bandaids; we will bring in lasting programs which will benefit fishermen in Newfoundland." We do not know what happened, and we do not know what replaced the promised program, because since then we have seen any number of different programs that have been bandaids in the true sense of the word. The unemployment situation in the country became so drastic that Opportunities for Youth was born. Mr. Speaker, it was born on an impulse and is the product of a government that governs by brainstorm, by impulse. Today, a program does not exist, but tomorrow you have the Opportunities for Youth program, and away we go.

• (1650)

Mr. McGrath: Now you see it, now you don't.

Mr. Peddle: The same can be said of the so-called local initiatives program which, by itself, I suppose is good. It is providing some jobs. Obviously, little thought went into it; obviously, control is lacking. Do not let anyone tell you that these programs are under any measure of control, because they are not. They are programs that were born out of political panic. The government said to itself, "The people of this country are berating us about the lack of jobs; let us try to fill up the holes." So, it introduced Opportunities for Youth, the Lift program and several others, the names of which escape me at the moment. Yet, early, near the beginning of this parliament in 1968, the Minister of Transport (Mr. Jamieson) said, "Look, we will take away these bandaids." Ever since, we have seen a series of bandaids. The government has introduced some programs, in the process no doubt creating some jobs but not making a dent in the total unemployment problem of this country.

While we face this terrible problem, this government will face the electorate again. The issue the election will be fought on—and, obviously, this will be the issue in the next election—will be the issue of American or foreign domination of our country. If that is not the height of complete stupidity or utter callousness, I don't know what is. As I say, if the government is not stupid, it must be utterly callous. Trying to hook the people of this country with that kind of issue right now, when some 8 per cent of our work force is unemployed, is either stupid or callous. I just cannot figure out who is going to buy that nonsense. I can only express the sincere wish that the Canadian people do not. Of course, I do not know if they will, but I hope they do not.

As I said, there are not many problems that I can deal with specifically in half an hour, except to note that the election campaign is on. We remember the campaign of 1968.

Mr. Foster: Regretfully.

Mr. Peddle: Not regretfully; this has been an education for us and the Canadian people. They have been shown that they made a mistake which they will not repeat.

An hon. Member: Hear, hear!

Mr. McGrath: The people on the government side will be the ones to regret it.

Mr. Peddle: I do not blame the hon. member on the other side for trying to defend his indefensible position. If I were over there, I would be doing the same thing.

Mr. McGrath: One cannot blame him, especially since he is the hon. member for Algoma (Mr. Foster).

Mr. Peddle: If he were not loyal, and his loyalty certainly is one of his redeeming features, he would have left the government side long ago and be sitting on this side. So, I appreciate his loyalty.

Mr. Paproski: He can go back to his dogs and cats.

Mr. Peddle: Yes. His loyalty is fine, of course.

Mr. McGrath: But misplaced.

Mr. Peddle: There is no question that in 1968 the Prime Minister strongly appealed to the people of this country. He came zooming down into shopping plazas all over the place, kissing the girls and listening to people, and thousands of people lined up to touch his garments.

Mr. McGrath: As if he were the Jolly Green Giant.

Mr. Peddle: I concede that, from a political point of view, he took this country by storm. Yet, almost immediately after the election, the transition was fantastic. He settled in and became a different character altogether. He was not nearly as accessible to people as before. He made all sorts of statements across this country; on Parliament Hill he suggested a menu to the Lapalme drivers that I would not care to repeat.

Mr. McGrath: Shame.

Mr. Peddle: Down in Toronto only a couple of weeks ago he told the people that this unemployment is a lot of nonsense. He said, "Just look at the want ads in the paper; you will see that there are lots of jobs available."

Mr. McGrath: Let them eat cake.

Mr. Peddle: It is almost like telling hungry people to look at all the food advertisements in newspapers and suggesting that they cannot be hungry. What nonsense, Mr. Speaker. And here we are, sitting in a parliament that is three years and 45 weeks old, and we wonder about what is to happen in the next several weeks. We had a preview on television. The Prime Minister was wearing coonskin caps; he went down a mine and came up with mud on his face. He has gone around touching people and they are touching him. I do not know if the old trick will work again; I fervently hope it will not, for the good of this country.

Mr. McGrath: For the good of us all.

Mr. Peddle: I say right now that although I have no particular desire to see an NDP government in Canada, if there is to be a choice between the Liberals and the NDP—I say to the people for goodness sake let it be an NDP government.

Some hon. Members: Oh, oh.

Mr. Peddle: I say that because I do not want to see another four years of this type of government inflicted on the Canadian people.

Mr. McGrath: God spare us from that.

Some hon. Members: Oh, oh.

Mr. Peddle: I will finish now. I doubt if anything I say will have any appreciable impact on the Canadian people. I will say this, however. I wish it were possible for every voter in Canada to be here today, because my message to them would be this: if they repeat the mistake they made in 1968, despite the work of various organizations designed to save this, to save that and to save the other thing in this country, and if this country has inflicted on it a government like the one of the past four years, there will be nothing left to save.

Mr. Paproski: You are right on.

Mr. Douglas Stewart (Okanagan-Kootenay): Mr. Speaker, a few days ago, I received in the mail a copy of a letter that the Shuswap Rural Ratepayers Association had written to my colleague, the new-appointed Minister of State for Urban Affairs (Mr. Basford). The letter, signed and sent under the signature of the pro-tem secretary, Mrs. Lillian Smiley of Enderby, British Columbia, reads as follows:

The Shuswap Rural Ratepayers have taken exception to the unfairness of the fact that at present NHA loans cannot be obtained for the building of a new house, unless it is going to be built on a sewer line. We feel that where it is admissible under local health regulations, the people building new homes under NHA be allowed to use a septic tank and outfield system.

I could not, Mr. Speaker, agree more with the position as set out by this particular association, and presumably by others of similar structure established throughout the nation. And you know, Mr. Speaker, I find it rather sad upon reflection to note that apparently little has been done on this problem since I made the very same point and voiced exactly the same objection in this House over two years ago.

At this juncture, I think it relevant to quote portions of just what I did say on May 30, 1969. I quote from *Hansard*:

• (1700)

Firstly, it is my contention that the government should give top priority to the problems of rural area residents and in particular, make more NHA funds available to those who reside in the relatively small communities therein.

I submit that all people in rural areas should be afforded the opportunity of participating in federal housing loans, be they residents of municipalities or unorganized territories. Their lot should not be discounted in the light of the problems inherent in the larger urban centres. I suggest that present government policy and support regulations are directed in the main to the benefit of major population centres and to the detriment of the many thousands of our citizens situated in rural areas.

For too long, too large a proportion of available mortgage funds has been allocated to the large cities of Canada for the propagation of multi-million dollar apartment buildings and like projects. This imbalance should be rectified and the government should cultivate a willingness on the part of private financial institutions to place funds in more remote regions by itself overcoming an apparent reluctance to invest needed capital in places of rural habitation.

Contrary to lingering government thinking, a home to those living in Lumby, Vernon, Armstrong, Enderby, Sicamous, Revelstoke, Golden, Invermere, Kimberley, Cranbrook, Jaffray, Elko, Fernie, Sparwood—and so many other smaller centres in my constituency, is no less important than is the necessity of accommodation for the folk of Vancouver, Winnipeg, Toronto and Montreal.

May I suggest that the principal ogre perpetuating this inequality in lending policy is CMHC's present regulation requiring the construction of piped services to housing. In a phrase: no water or sanitary sewer—therefore no eligibility for NHA financed loans.

Although there are stated exceptions to this rule, in my experience, leniency in their interpretation has never been the federal corporation's watchword. And there are many areas in this country, and Okanagan-Kootenay is representative, that will never be serviced with piped sewer and water. So, at the moment, hundreds of people living in unorganized portions of my riding and several thousand more who reside within municipal boundaries are effectively shut out from public assistance because they are on wells and/or septic tanks. And, for those who intend to locate and build, to join their fellow primary producers or take their employment in the extractive industries, the same fate awaits them.

Facilities which are entirely satisfactory to many of my people, and have been for years, are still effectively quite unacceptable to the Crown corporation. Moreover, even though modern technology has provided us with a number of more sophisticated and proven sewage disposal systems, CMHC has steadfastly refused to accept them. And, as a result, of these overly restrictive regulations, it is impossible for many and too tough for most to comply.

I therefore say this, even though I share the concern of all levels of government for the pollution of ground and water, which concern undoubtedly has given birth to these constrictions, and even

though I am quite aware that the use of septic tanks in concentration will create difficulties in curbing pollution, surely a workable set of regulations, which would supplant those that have outlived their usefulness, can be formulated which would then permit the use of certain lands, presently exempt from mortgage financing, and a goodly portion of which will never be equipped with piped services, on a septic disposal and water-well basis. Such a solution would inject a new and needy borrower into the program and would raise the generally low standard of housing prevalent in sections of our country, certainly in several of the more depressed portions of my riding.

I hope it will not be necessary for me to rise again at some future date and remake the same point. I trust the new minister responsible for housing will see to it that this is not necessary; that is, I hope he will sit down with senior officials of the corporation very shortly and formulate a realistic and workable policy that will accommodate the needs of residents wishing to construct accommodation in Okanagan-Kootenay and other, like rural areas of Canada. I invite him to do so.

A second matter I would like to touch on this afternoon is one which I have raised from time to time and in various places. It deals with the movement of non-board feed grains from Alberta into British Columbia. I appreciate what the minister responsible for the Wheat Board had to say in this connection, namely:

"The Canadian Wheat Board regulations concerning the movement of feed grains are designed to ensure the orderly marketing of wheat, oats and barley produced in western Canada", and that it is "the objective of the board's marketing system to allocate delivery opportunities fairly among all producers to ensure that producers receive a fair market price for their product—by agreeing to sell their grain destined for interprovincial or international markets, through the Canadian Wheat Board."

I say I appreciate that, Mr. Speaker, because in theory it sounds great, which it would be in fact if it were to work that way. We all know that there is great difficulty with control or with policing the system. Surely the Canadian Wheat Board does have the power to control the movement of grains between provinces, and it exerts it by placing inspectors at weight scales near border crossings. Just as surely, however, the board does not have the power to control, nor does it exercise effective measures which restrict the movement of grains intraprovincially. Therein lies the rub as the situation affects the ranchers and farmers in my riding.

Economically and geographically, the livestock producers in Okanagan-Kootenay, certainly those in the Columbia valley and south country, are attached to Alberta because that province is not only their source of supply of feed grains but also the market outlet for their livestock. Thus, the producer in my riding must attempt to be competitive with his brethren, the livestock producers in Alberta. However, how can he realistically hope to compete when the Alberta operator does not have to buy feed grains through the Wheat Board, while the grower in my riding is obliged to pay about double the price to that which can be had from non-board sources within Alberta?

Add to that other costs of operation, such as truck hauling of both grains to site and livestock to market, and it is little wonder that the grower in my riding is heard to exclaim, "A law you cannot enforce is worse than no law at all." May I draw but one example from a letter I

[Mr. Stewart (Okanagan-Kootenay).]

received some time ago from a Grasmere constituent, who said in part:

I should like to make the point to you that the Hutterites in southewestern Alberta, who can purchase non-quota feeds, sell eggs, poultry, ducks, geese, etc. in the Fernie, Sparwood, Natal area. A British Columbia operator, who would have to purchase feeds through the Wheat Board, and be competitive in the same area, could in no way do it. This is just an example, it can be applied to any business requiring the use of Alberta feed grains.

As the British Columbia Farmers Institute, District "I", put it in one of their recent briefs:

This situation becomes no ludicrous at times that livestock men are tempted to move grain illegally, because we know that these impractical policies are virtually unenforceable.

I know that solutions to problems such as the one I am raising now are not easily found because the over-all implications are many and varied. I am confident, however, that the minister responsible for the Wheat Board will, after duly considering the many recommendations he has received on this subject, come up with an alternate which is more plausible than the policy now in question. I understand that he and his departmental officials are presently studying this whole question of interprovincial movements of grain. Hopefully, this in depth review will be completed in the near future and the intentions on a new approach will shortly be made known.

• (1710)

Before I resume my seat I wish to congratulate the hon. member for Bruce (Mr. Whicher) and the hon. member for Trois-Rivières (Mr. Lajoie) who moved and seconded the Address in Reply. Their speeches were in my view excellent, as is the quality of their continued contribution to this country and to the House.

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, the 1972 Speech from the Throne is, more than any other I have had the opportunity of listening to, an election straw man, built of words and rhetoric, empty of any economic notions or solutions.

Even after one reads it or rereads it, what does it mean? Absolutely nothing. But it will give the Liberals a chance to say or promise anything they want, depending upon the needs of their propaganda. It is brain-washing by the Liberal party as a prelude to June elections. The Liberal party feels the need to purloin power, once again and immediately, for another four years. This Speech from the Throne will allow it to say anything at all without compromising itself.

Mr. Speaker, as far as purloining power is concerned, I take my hat off to the Liberal party, it is the best tool of finance which supplies it with all the resources needed to win elections as in the past, and thus continue to exploit Canadians through an archaic, unjust, antisocial and barbaric economic system.

Social and economic problems will never be solved by those who belong to that system, who cause all our problems. In Canada, the traditional parties are political twin brothers, begotten to ensure the survival of the present system that created and nourished them. They are part of that system and will disappear with it.

Mr. Speaker, the faults of the system are known to those Canadians who suffer from them; only a few need be identified: unemployment, poverty in the midst of abundance, taxes, deficits, bankruptcies, debts, inflation, deflation, economic depressions, strikes, insecurity, social upheavals, juvenile delinquency, robberies, the decadence of moral values, the loss of initiative, social welfare, class stuggles, etc.

This unhealthy economic system, Mr. Speaker, leads also to centralization of the means of production, that is to production trusts, to centralization of wealth in the hands of a few. The loss of property constitutes also another one of its consequences, as well as migration from farms, economic rule by a few, excessive interest rates.

When the Prime Minister (Mr. Trudeau) took office in 1968, thanks to the false slogan of "the just society", instead of correcting the present system to achieve a just society and thus get rid of the evils that I have just enumerated, he did this incredible thing through the Department of Finance or the then Minister of Finance (Mr. Benson): he increased the rate of interest for banks, for finance, that is for the mistress this government goes to bed with every day.

Interest and these ever-growing increases, since 1968, are the prime cause of the ever increasing debts which have become impossible to pay under the present system. Spiraling debts and salary boosts are reflected in rising taxes at all levels, and taxes and spiraling increases cause spiraling prices, or the inflation we are experiencing.

I should now like to refer to an editorial on Channel 7, on February 16, by Rev. Emile Bouvier of Sherbrooke who expressed the following views:

The burden of land taxes in Quebec.

Quebecers pay in one way or another at least 50 per cent of their income in taxes. A family of four, with an annual income of $5,200 was paying, in January 1, 1969, $1,686 in all types of taxes in Quebec.

At the municipal level, the Montreal taxpayer, with an annual income of $5,200 and a family of four, paid $375 in land taxes; with an annual income of $10,400, a family of four in Montreal paid $750.

On a $15,000 one-family dwelling total taxes in Montreal are $478.

Taxes are increasing to the extent that small property owners are being crushed. What is the use of encouraging people on the one hand to build a house, to develop a healthy home while on the other hand crushing them by municipal and school taxes, denying them stability in their own homes? All kinds of social action are being resorted to against unemployment, but none to encourage the small house owner to keep his home.

Mr. Speaker, spiraling prices—or inflation—cause an intrinsic loss of bonds, securities or property. Loss of bonds, securities or property saps private initiative and its disappearance spells the end of free enterprise. The elimination of free enterprise, Mr. Speaker, is the pet child of socialists.

Our economic system is called "economic liberalism" and, almost everywhere in the world, things are going badly because of this system. In fact, the same effects and troubles, which I mentioned a moment ago, are felt there. Similar causes produce similar effects and, everywhere in the world, economic liberalism leads people in the same direction, that is toward socialism, toward control by the state, while the state remains under the control of high finance, as is the case under present economic liberalism, because the old parties are the political servants of the economic liberalism under which we are living.

• (1720)

The old parties are the bedfellows of financial monopolies. That system of political and economic concubinage with finance, namely banks and their branches, and monopolies, is called economic liberalism, namely the law of the jungle.

The present economic liberalism leads to economic "barbarism." Then the state asserts itself as a socialist umpire and governs everything except finance which continues to maintain a socialist state, exactly as it was leading the state previously through the electoral funds which finance the old political traditions or economic liberalism by means of monopolies which are the offshoot of banks.

In the socialist state, finance is still protected from everything. It is supreme, for world socialist government are finance's bedfellows, in exactly the same way as under economic liberalism, political parties are the bedfellows of monopolies which are again bank subsidiaries.

This explains the economic history of nations which have turned to socialism, where banks, through the power to extend the line of credit which they obtained from government, control the latter through electoral funds. In turn, they can lead economic liberalism to its end which is to cause all the above-mentioned social evils and disorders, as well as socialism. And banks keep on controlling governments through financing, just as they were doing under economic liberalism.

The credit monopoly is the worst of all, because it creates and maintains all others. The monopoly of issuing money is never disturbed by socialists. The only known change introduced so far by socialists in the field of banking is that they centralize banks, but still leave them the power to issue money to one gank or to banks. Monopoly over the creation of credit has never been disturbed by socialists since all they do is to socialize means of production in the hands of government by eliminating monopolies, which are the "children lost in their tender years" of the banks' power to create credit.

The present economic liberalism creates and engenders the causes which lead to the effects of socialism— the system dear to the heart of our prime minister. The power to create money, legalized by governments and left in the hands of a few individuals called "banks", leads to complete control over the economic system by monopolies supported by banks. Through their monopoly over the creation of money, banks create the other monopolies of production and the like, and only naïve people would believe that monopolies are not the creation or the tool of banks; for if the latter decided to stop financing monopolies through credit, those same monopolies—whether they be called E. P. Taylor, Western Empire, Bronfman, or Steinberg—would crumble overnight like so many houses of cards, in the same way as the commercial empires of 1929 crumbled when the banks decided overnight to demand that their loans be repaid. Every production empire or monopoly, no matter how powerful, is at the mercy of the bank system which gave it birth. This is why Judge Brandies of the United States Supreme Court said, following an inquiry by a committee of the U.S. Senate

which for two years investigated American trusts and monopolies—I quote:

There is only one monopoly, which is monopoly over the creation of credit.

Or, in other words, monopoly over the bank system.

The bank system creates monopolies; monopolies create the economic consequences already mentioned, which in turn lead to socialism, which leaves the bank system alone.

The newspaper *Le Droit* of January 14, 1972 wrote:

For many years the Liberal party has been operating thanks to the support of 95 major Canadian companies.

However, some innocents are still convinced that the old parties are the people's parties. They are two balls of different colours on a string which are made to swing according to the whims of finance which controls them.

Some other innocents think that the Canadian socialist party, the New Democratic party, is the party of the poor. Come on!

Recently, the hon. member for York South (Mr. Lewis) said that there was $2 million in the kitty for the next federal election. Where does that money come from? Certainly not from the old age pensioners.

There are a number of monopolies and particularly union monopolies. I was struck by another fact which is that about 60 years ago, at the time of the foundations of the London School of Economics, sir Ernest Cassell, one of the Bank of England's directors, made a $7 million contribution for the establishment of this school and said that its purpose was to educate and train future socialist statesmen.

No wonder that our Prime Minister who attended the London School of Economics, this socialist oriented school, did not have the same ideology when he completed his studies in London as he had a few years before when he left the Jesuits of the Jean de Brébeuf college in Montreal.

This is what made our Prime Minister state, when interviewed by Mr. Norman DePoe, as reported in issue No. 13 of the *Weekend Magazine* of 1966, that the internationally famous Marxist professor of the London School of Economics, Mr. Harold Laski, was, and I quote:

[*English*]

—was the most stimulating and positive influence he has encountered.

[*Translation*]

Mr. Speaker, how are we to believe today all these socialist economists of the London School of Economics who have taught and still teach socialism in our universities or in the textbooks of economics, and who have tried to make us believe that the 1929-1939 economic crisis was due to sunspots, while the only and real explanation was that it had been provoked by financiers who had resolved, through the banking system, to cut credits generally in order to induce a stock crash and increase the economic power of banking institutions and their monopolies, which, as if by magic, thus received a windfall of securities.

Mr. Speaker, another economist of the London School of Economics, Mr. Louis Rasminsky, is the present head of the Bank of Canada. It is not surprising to note that this bank operates not in the interest of the people, but as a white elephant aimed at keeping back our Canadian banking system for the benefit of the few and to the disadvantage of the many.

Economists who have graduated from the London School of Economics could not and still cannot point to their masters, and the credit controllers as being responsible for the social uneasiness and malaise referred to earlier, because they are the offsprings of the banking system. They have been nursed by the banks' university. They are part and parcel of the system and have to guarantee its continuance and survival.

The present banking system, the only real monopoly, has created its own university, its own students, and its own creatures. I have only pointed out two examples: our Prime Minister and the Governor of the Bank of Canada, but I could mention many others. The banking system has established its university with a view to securing its world control, and the banks maintain their economic supremacy and power in three different ways.

First, by training teachers in economics who will carry on their teaching in universities.

Second, by protecting, supervising and maintaining their power through the application of their theories by their economists who pollute both officialdom and the public service.

• (1730)

Third, by political control over governments by way of election funds they supply directly or indirectly through their monopolies which are their own extension, which they generated and which they continue to supply through the financial credit they create with the permission of the governments serving them.

This banking system, Mr. Speaker, breaks the economic backs of all nations. The Créditistes who advocate monetary reform are still fighting against the banking system the same war already waged by several presidents of the United States such as Andrew Jackson, Abraham Lincoln, Benjamin Franklin, John Adams, and also former members of Parliament, Mr. McGeer, a Liberal member for Vancouver and Mr. Slaght, for Parry Sound-Muskoka, who advocated the same monetary reform as we do.

Following in their footsteps, as many others did, Mr. Speaker, the Créditistes recognize that the physical power to produce rests in the hands of the people and in the resources to be developed. Those resources must be developed through the physical power of individuals, that is to say through work. This results in the immense production that we now have, and that production in accounting terms is defined by the word "debit". But for the debit side, that is to say production, to reach consumption you need a means of exchange between production and consumption. This means of exchange in modern terms of economic accounting is called money or credit and for the economic accounting of a nation to work properly, the credit side—money or means of exchange—must be at the service of the debit side—production—so that the credit side—money—will be an instrument of exchange and not an instrument of control as we have it today. Since production, or debit side, comes from the people, the money, or credit side, must also come from the people. But as

each person cannot and must not develop its own monetary system, the power to create credit or to issue money must also be wholly exercised by a central institution called the Bank of Canada, the governement bank or the people's bank.

Until now, the people's government has assigned control of money and credit to some private organizations that we call banks, and the banks, which have control over the country's credit side, are pursuing profits for their advantage, which is the reason for all the economic disturbances that we have been and are still experiencing. The list of these ills I gave at the beginning of my remarks.

As long as the government does not create its own credit through the Bank of Canada, it will remain dependent on the credit being granted by the private banks and, consequently, the barbaric system that we know will only become worse, with all the economic ills that follow, because its ultimate goal is complete dispossession of every citizen, concentration of all material means under the control of the state, as well as the latter's submission to the banking powers.

The members of the Ralliement créditiste favour private enterprise and, accordingly, they consider that the banks, as business concerns dealing with financial matters, are entitled to a reasonable profit, regulated by competition between the banks, with financial organizations and with the savings of the individuals.

The money invested by the banks' shareholders, or borrowed by the banks, or the money accrued through profits must be loaned at a profit, and in this connection, the Creditistes are committed to the defence and protection of the banks against all forms of State intrusion in their services, their assets or their transactions. Bankers have the right to live and the banks' shareholders are entitled to a return on their savings just as any other individual or company which provides services to the community. However, they are not entitled as commercial entreprises to create money in the way shoes are manufactured.

The right to create money and to circulate it does not belong to any individual, company or bank. It is a sovereign right, and only the people is sovereign.

That right is entrusted to the government by Canadians and it is through its bank, the Bank of Canada—not through private institutions—that it must create the money or the credit which is the means of exchange of the nation and which must be based on production.

It is for the government to see constantly to it that the Bank of Canada circulates as much money as there are items to be exchanged; otherwise, the social problems which we have had and which will face us have no solution, and traditional political parties will continue to promote democracy according to the extent of freedom which they are given by financiers.

[*English*]

Mr. Maurice Dupras (Labelle): Mr. Speaker, first I wish to join those who have preceded me in praising the mover of the Address in Reply to the Speech from the Throne, the hon. member for Bruce (Mr. Whicher) who has so brilliantly appraised the economic, social and political situation in our country. He has all the qualities, wisdom and courage of the "with it" Canadians. I am proud to be associated with him through the Liberal party.

He and his fellow members from the great province of Ontario, the province which has sent so many brilliant Liberal members to the House of Commons, the great majority of them with ministerial capabilities, are devoted to the Canadian adventure deeply rooted in their province but nevertheless accepting the Canadian challenge with open mind and generosity. His contribution, like a great number from this side of the House, strives toward the unity of Canada. They are not seeking a few votes through petty politics. They have respect for the intelligence of the people of their constituencies and will not indulge in excesses of language to make political hay.

Mr. Skoberg: Oh, come on now.

Mr. Dupras: That is so, Mr. Speaker. These devoted men, along with all real Canadians, are going to make this country great and powerful. They are unlike the opposition party members, who are saying out of one side of their mouths that they support the Official Languages Act and out of the other side have launched a campaign in parts of Ontario and attacked the government on the issues of the economy and bilingualism, using, as my colleague the hon. member for Lanark-Renfrew-Carleton (Mr. McBride) reported, the "some of my best friends are" routine. Do these members belong to a new branch of the Conservative party? If so, will this branch be represented in my province, and will it have candidates in other parts of the country?

[*Translation*]

Mr. Speaker, I should also like to congratulate my neighbour and colleague from Trois-Rivières (Mr. Lajoie) for the superb fashion in which he discharged his heavy responsibility, that of seconding the Address in Reply to the Speech from the Throne.

His first contribution to this House proved just how fond he is of our magnificent country. Through his eloquence, he managed to have us share in the pride which stirs him in his pursuit of the Canadian adventure. He and his charming wife, who have a large family set an example for all Canadians. I too take this opportunity to pay tribute to him, to express my admiration for him and to assure him of my support and co-operation. To the voters of the riding of Trois-Rivières, I extend my congratulations for their shrewdness in electing a man of his stamp.

Mr. Speaker, those two men enhance the value of our institution, and reassure all Canadians about the worthiness of the majority of the men it includes.

• (1740)

Mr. Speaker, as a government member I am pleased when I consider the various bills which were enacted during the last session. I am more especially referring to the steps taken to assure increased security to our old people. We have passed in favour of our Canadian pensioners the highest old age benefits in the world and if there is a generation which is worthy of our encouragement, it is indeed the precedent one. Acknowledging their needs is only a step toward greater balance in the redistribution of our national resources.

This pursuit of equity and justice can also be noted in the new legislation voted in favour of veterans. Having served in the armed forces during four years, I am quite

pleased that those of my comrades who have shown courage and energy and offered their life to defend their country may enjoy the highest pension in the world. They were the best. The Canadian people surely appreciate the rightful token of gratefulness.

These various pieces of social legislation, Mr. Speaker, are the mark of a government whose total efforts make possible fair distribution of the country's resources to everyone.

In the economic field, we have seen the acumen, the common sense and the prudence the government displayed, enabling us to weather the period during which our neighbours were imposing a surcharge on their imports, of course for the purpose of protecting their industry. What country in the world was in such a critical position as ours, as a result of our proximity and of a certain degree of economic dependency. The outcome of the negotiations which followed these measures, skillfully conducted by our Prime Minister (Mr. Trudeau), will restore to Canadian industry a competitive position on the vast American market and make a positive contribution to sustaining the economic revival which could already be felt in the spring of 1971.

During the past 12 months, Mr. Speaker, in spite of that setback, we achieved new records in development and the rate of growth of our gross national product exceeded that of all industrialized countries. Other equally meaningful results were obtained as a result of the confidence the government placed in Canadians. Thus the Local Initiatives and Opportunities for Youth programs are instances of new, bold ventures of which we can be proud.

The new parks to be developed to the north of the 60th parallel and which will soon acquire an enviable renown will bring to 28 the total number of our national parks. These parks are not meant only for the inhabitants of the surrounding areas. They are national lands the government of Canada is reserving for the whole population and future generations. Under the act, they are dedicated to the people of Canada for their benefit, their education and their enjoyment. Recognizing the increasing importance of maintaining contact with nature and indeed drawing closer to it, the people of my constituency are viewing with great interest and patience the efforts being made to turn a part of the country into a national park.

Thanks also to such outstanding talents, Canadians are in the forefront in the field of satellite communications whereby every citizen will be integrated into the great Canadian family.

As we mention the judgment, the energy and the wisdom of the Canadian people, we may notice that those are the qualities of the Prime Minister who was able to carry out the projects that are useful to us and who continually takes up new challenges.

Mr. Speaker, we are now in a transition stage which will eventually open onto a new world, a world that will have been created by our own hands and our own will.

We will have to maintain the tradition and bring it into harmony with the vanguard performances that will allow us to go forward without interruption. And it is also thanks to the inventive and industrious spirit of Canadians that we shall succeed in creating a country in which all citizens without exception will be happy to live. By the same token, we shall be able to help in a more tangible way the less developed countries.

It is by striving to provide equal opportunities to every citizen that we shall succeed in building a hospitable country. We can only endorse the conviction of the Prime Minister that there is room in Canada for any person and any region. This spirit of tolerance should be the essential feature of the Canadian people. The twentieth century will be ours only if our economic success and our social measures are achieved with an openness of mind which would once and for all enable every citizen to be accepted and to participate and not merely to express their wish for participation.

It is in that context that the French language units, both in the Armed Forces and in the Public Service, appear as a project that could give concrete form to what was only a pious wish. With those French language units, Mr. Speaker, French will become a working language in the Public Service and the Armed Forces. This original measure shows that our government is able to take up challenges in an original manner. Thanks to this project, French-speaking civil servants will better be able to show their professional qualifications in carrying out their duties and will thus increase their chances of promotion within the Canadian Public Service.

Our ancestors were faced with many challenges. They succeeded in finding original solutions in each case. We must face the challenges of today in the same spirit. So we shall have to devise new methods to protect the quality of the environment. The situation is critical in many cases. We must find original methods to protect our rivers and our lakes threatened by pollution, and others, so as to clean the water which already is thoroughly polluted. Also, we shall have to devise measures to save certain species of our wildlife which are threatened with extinction. Only through dynamic action shall we be able to meet these challenges. In this country which we are building for ourselves and for the future generations, the time is for action and not nostalgia.

The most important challenge lies indeed in the field of job creation. We are now facing new circumstances which no one could have foreseen. Technology has totally disrupted our approach to work. Not only must we consider developing new work methods, but it is our very concept of work which we shall have to alter. We must adjust without delay. Those who will have neither the strength nor the courage to do so will be left logging behind their own times. But our spirit of innovation will enable us to develop a society in which life will be well worth living. The initiative, creativeness and ability of our workers and of those who are seeking employment must be put to better use if we are to reach this goal. The present situation is but another challenge to our will to fight.

To show as much wisdom as justice sometimes represents a difficult dilemma. Still in that field, we must make suggestions, provide all the tools needed and intervene judiciously. Only thus shall we bring about ingenious and fruitful initiatives.

Gloomy thoughts and set ideas are out. People who are always afraid to take initiatives and who lack imagination are not with it. Canadians want to go ahead; the government will give them the opportunity to do so.

[*English*]

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I listened with interest to the speech of the hon. member for Labelle (Mr. Dupras) and in particular to his high praise of the efforts of the mover and the seconder of the motion in connection with the Speech from the Throne. I was interested, in particular, in his use of the phrase, with reference to the hon. member for Bruce (Mr. Whicher), that his was a great, statesmanlike utterance.

Those of us who have become familiar with the tactics and the oratorical style of the hon. member for Bruce would not quite describe his talents in the same terms as the hon. member for Labelle with respect to statesmanlike utterances. I would say that the hon. member delivered a great, partisan, tub-thumping speech, and I suppose that is what we should expect in the Parliament of Canada. It did suggest what I feel is the main defect of the Speech from the Throne; it is more noteworthy for its style rather than its substance.

• (1750)

We had all expected that the Speech, as is usual with these state of the nation presentations, would be full of substance, full of firm plans and policies to deal with the fundamental economic issues facing us. The more I examine the Speech, the more I conclude that it is better examined for its style than for its substance. It is an empty Speech from the Throne and, as a result, most of the speeches presented by spokesmen for the government have lacked the substance that should prevail in a debate of this kind.

The present administration which has been in office since 1968—

An hon. Member: Too long!

Mr. Dinsdale: —had little to offer the people of Canada when it came to power but the slogan "the just society". It had no policies for the latter part of the sixties but rode in on the economic and financial momentum generated in the early part of the decade. As we move into the decade of the seventies and are faced with mounting economic problems reflecting the growing complexity of national and international relations, and so on, it is disappointing to find a Speech from the Throne which has no policies for this important decade.

In an election year it would seem to me that the government would have something to offer more than style to the people of Canada. As the Prime Minister (Mr. Trudeau) moves about the hustings, testing the atmosphere and mood of the nation, I notice that he does not quite know whether to go for broke with elaborate promises or attempt to repeat the tour de force of 1968 when he was able to get by without promising anything, creating the impression that his was a new style, a new era, the dawn of the age of Aquarius.

Mr. Speaker, the amendment placed before Parliament by the hon. member for Hamilton West (Mr. Alexander) is right on target and I trust it will have support from all members of the House. The amendment would add the following words to the motion:

but we find intolerable the utter failure of this government to bring forward a decisive policy to achieve full employment and the continuing uncertainty and hesitancy in the economy because of the chronic indecisiveness of this government.

I am sure that when we use the phrase "we find intolerable," we are speaking for the people of Canada. But I shall deal with that later in my remarks.

It is true that economic issues are the mainspring of any government policy. As the hon. member for Grand Falls-White Bay-Labrador (Mr. Peddle) said in his speech this afternoon, the B and B issues are fundamental—the "bread and butter" issues. As I move around the Canadian body politic, I realize this is where the buck is lying at the present time. There are the issues of great concern to the majority of the people of Canada.

When we say in the motion that the government is indecisive and lacks a sense of leadership, it is because the record of the past four years has indicated that the government's approach to economic problems is an ad hoc, unplanned approach. This ad hoc, unplanned approach reflects the personality of the Prime Minister who, after all, is the leader of this House and the leader of the government.

His whole life style and his excursion into politics has been that of an individual uncertain of his personal commitment in terms of party, in terms of policy and in terms of program as he now exercises the supreme responsibility of leader of this nation. He came to this House in 1965, recently converted from the New Democratic Party. He is not the only one in the present Cabinet to have that pedigree. There should be a fundamental difference between the philosophy of the NDP and that of the Liberal party which he presently supports. If there is not, I am sure that explains why there is lack of dynamic and sure-footed leadership at this time.

Mr. Muir: The NDP were glad to get rid of him.

Mr. Dinsdale: Some of the main initiatives of the present government, Mr. Speaker, have reflected this unplanned, ad hoc approach to the major issues before us. We are a northern nation beset every year by winter unemployment. This applies in western Canada, particularly the prairie west, perhaps more than in the other areas because of the severity of winter conditions there.

I well remember the Prime Minister indicating that he was no longer going to use the excellent winter works program that had been developed by the Conservative administration which occupied the treasury benches between 1957 and 1963 because there was not going to be any fundamental problem of unemployment. So the "Do it now, why wait for spring?" program was set aside. In its place, for the last two years, because of the chronic problem of unemployment we have had the ad hoc Local Initiatives Program, the Opportunites for Youth program, and so forth, instead of deliberate planning to meet a severe problem.

Mr. Speaker, may I call it six o'clock?

Mr. Speaker: It being six o'clock, I do now leave the chair.

At six o'clock the House took recess.

AFTER RECESS

The House resume at 8 p.m.

Mr. Dinsdale: Mr. Speaker, when the House recessed at six o'clock I was pointing out to hon. members that the basic criticism we direct at the present government led by the Prime Minister is that it has failed to deal realistically with economic and financial matters. Instead of being presented with a co-ordinated, national economic policy in which the priorities would have been set by the people and the people's representatives, we have been led through an incomprehensible maze plotted by this super group surrounding the Prime Minister's office and involved in all the activities of the government generally. The result is, Mr. Speaker, that the private sector of the economy has been stifled because of the smothering effect of the super group.

I recall the words of a distinguished Senator who put on record in the other place precisely what has happened. I read from a report in the *Globe and Mail* written under the heading, "Liberal Senator attacks policies of government":

> Senator Daniel Lang, ... Toronto lawyer and business executive, charged that the Trudeau government is alienating businessmen by its tax legislation, its proposed changes in competition and labour laws and its promotion of friendship with the Soviet Union.
>
> He argued that the future of Canadian confederation itself depends on good relations between business and government and called for a rapid return to that condition of mutual respect—'
>
> Senator Lang, former treasurer and campaign chairman for the Liberal party in Ontario, was speaking in a Senate debate on the Canadian economy.
>
> He raised issues that have been the subject of growing complaints by businessmen lately.
>
> He said private business was uncertain and fearful of administrative powers given to the public service.
>
> I am afraid that many in the private sector regard this bureaucracy as aloof, intransigent, doctrinaire and oftimes hostile,' he said.

It is obvious that some hon. gentlemen on the treasury benches have become concerned by the present economic course of the administration. I was interested in a speech that crossed my desk not long ago. It was delivered to the Canadian Club in the Hotel Vancouver on Friday February 4, by the Minister of the Environment (Mr. Davis), who is the hon. member for Capilano, if I may refer to him by naming his constituency. The title of the speech was, "Canada's economic Oscar".

According to the speech, which continued for 21 pages, the Minister of the Environment was obviously more concerned about the political environment than about the physical environment, because he was at great pains to point out that all was for the best in the best of all possible worlds. I read from page 18 of that speech the following remarks:

> I know you're worried about our new Competition Act. But this legislation is being withdrawn. It's being rewritten. The emphasis is being put, increasingly, on competition. I'm sure that you agree, at least in principle, that competition is a good thing. More competition rather than less will be a good thing for Canada just as it has been a good thing elsewhere—
>
> Confidence and competition; the two go hand in hand. I personally believe in an open economy. I believe, wholeheartedly, in individual initiative. I believe in private enterprise. I believe, also, that Canadians can be enterprising.

[Mr. Speaker.]

• (2010)

I agree that Canadians can be enterprising if they are given a chance and not smothered under the overwhelming influence of the present bureaucratic structure of government particularly in the office of the Prime Minister. I have a recent comment on the attitude of business toward government policy as reported in the *Globe and Mail* "Report on business" of February 23. Hon. members can read this report for themselves. The article is headlined, "Economic Council predicts slowdown in capital spending", and I quote:

> The veil of gloom that permeated business circles last October, and has only recently been partly lifted, has yielded the most pessimistic forecast of capital spending plans ever made by the Economic Council of Canada.

The president of DuPont found fault with industrial and tariff policies. I quote the following excerpt of his words:

> Current government policy is for an open economy and industry that is world-competitive. But this is not consistent with a proposed new Competition Act that would fragment industry, with regional-development policies that have philosophical merit but are economically disastrous, with a technical innovation system that is different from and more restrictive than those of other areas.

The former minister of consumer and corporate affairs is a neighbour of the hon. member for Capilano, the Minister of the Environment. I am sure that the transition in ministerial responsibility is further proof of the growing disease that exists among the business community and the Canadian body politic. It is not only in big business; it also affects small business, farmers and wage earners. We were recently in our constituencies for a particularly long recess. If hon. members will speak the truth on the matter, I am sure they will admit they were beset and besieged by farmers, businessmen and indeed all Canadians with regard to the uncertainties arising from the impact of the so-called tax reform measure that was forced through the House under closure just before the Christmas recess.

Last week a member of the House, a former deputy prime minister, the hon. member for Trinity (Mr. Hellyer), summed it up in these words, "The government's economic policies are stupid and even subversive." That sums up the situation as seen by someone who obviously had inside information as a key member of the Trudeau administration.

I want to speak briefly on a matter that I know something about personally, and refer to comments made by the Minister of Indian Affairs and Northern Development (Mr. Chrétien) in his speech in the House on the Address in Reply to the Speech from the Throne. He gave forth, under the title "The quality of Canadian life":

> We want to safeguard those diversities, to give them full play in the shaping of a proud Canadianism which reflects all the elements of our society.

The hon. gentleman was reading from a printed text that was distributed to the press and members of the House concerning in general terms the quality of Canadian life. He was not necessarily dealing with economic matters. I want to give the hon. gentleman credit; since he assumed his portfolio he has grown in stature in office. From the quotation I have just read to hon. members, obviously he has gained wide understanding of the new dimensions in Canadian confederation.

I shall not go into detail on some of the economic matters he dealt with in connection with northern affairs, because we welcome him to the family circle of those who in the past decade or more have regarded the great undeveloped part of northern Canada in the Yukon and Northwest Territories as the last great frontier of Canadian development. News of oil discoveries, news of a boom in mineral development and national parks in the north were subjects being discussed and planned when the vision of northern development was regarded with scepticism by members on the opposite side of the House. The Minister of Indian Affairs and Northern Development has now become the chief exponent of this enthusiasm.

I want to link the quotation with regard to the proud Canadianism which reflects all elements of society to another major responsibility of the hon. gentleman; that is, developing policies and programs for our native Canadians. The real resources of Canada are human resources. The area of development of human resources, particularly our native population in the territories as well as in other parts of Canada, is where the government has been sadly negligent. If we are to achieve a quality of Canadian life adequate for our first Canadians, be they Indians, Eskimos or Metis, we must recognize the basic rights of all elements of Canadian society. In particular, we must recognize land claims and aboriginal rights which thus far have been short-circuited by this administration.

When the Prime Minister was specifically confronted with these matters he told these people, who are an important element of the great Canadian mosaic, to forget their traditions and become good Canadians. I suppose the proper response to that statement by the Prime Minister would be, "Physician, heal thyself."

It is true that human resources is the main ingredient in the development of this nation. In the few moments that remain at my disposal I wish to point out that this is another area of serious neglect on the part of the administration, particularly as it applies to western Canada. It has been said that mankind is one, the human family is one, but cultures are many. There is a new dimension of Canadianism that has emerged outside of upper and lower Canada, that has not yet been fully grasped by this administration. There is no dominant cultural group in western Canada. The compact theory of Confederation does not necessarily apply there, nor is it readily accepted. Rather, we are faced with a mosaic which is as colourful as the Canadian maple leaf.

• (2020)

Western Canada is not willing to become lumped material to be shaped in the image of the Prime Minister of Canada. When the Prime Minister (Mr. Trudeau) used a word which is loaded with emotion—several other hon. members have mentioned it—in describing the Premier of a western province as a bigot, he was not contributing much to the dialogue respecting national unity. The premier of British Columbia was pointing out that if bilingual qualifications were to become a major requirement among those seeking job opportunities in the capital of the nation, then people from western Canada would clearly be discriminated against. This point was raised repeatedly by spokesmen from western Canada during the debate on the official languages issue.

The situation, has of course, been aggravated by other measures taken by the government such as the changing of names which are an integral part of the heritage of western Canada. It is easy for the Prime Minister to make a joke about changing the historical and traditional description of what used to be the Northwest Mounted Police, and later became the Royal Canadian Mounted Police, to the simple word "police", but it is not being accepted in western Canada. I was in the west last week and I am aware of the strong feeling on this issue in all the western provinces. I am sure the hon. member for St. Boniface (Mr. Guay) is aware of it too.

The time has come, it seems, for two provinces in Canada, or one province for that matter, to refrain from imposing its image on the rest of Canada. A multicultural society is emerging which expresses the real spirit of Canadianism in this second half of the twentieth century. The Secretary of State (Mr. Pelletier) will be in Vancouver within the next couple of weeks. Obviously, he recognizes this problem because he will be participating in an important conference promoted by the Canadian Council of Christians and Jews concerning the implications of the policy of multiculturalism in this country. I say again that the situation is not being resolved when the Queen's first minister describes the Premier of one of the western provinces, in the course of a public statement, as a bigot. In other words, if you do not agree with the Prime Minister you are a bigot. It is an expletive which will not be accepted in the west.

There are two further matters I should like to bring to the attention of the House, if I have time. They concern government efficiency. If you have no policies which are going anywhere in terms of economic development, I suppose it is impossible for there to be administrative efficiency. We are faced with a breakdown of administrative efficiency at the senior level of government. I refer, of course, to the unemployment insurance fiasco which has been causing severe headaches to all members of the House of Commons, the immigration situation, the strikes which have been dislocating the public service in the past few weeks, and particularly the strike which has been tying up Canada's air service to such a degree that it is bound to have a profound adverse effect on the economic well-being of the nation.

I refer also to discontent which has been rampant among the staff of the Post Office. As critic for the official opposition in this field, I have spent much of my time receiving and replying to complaints in this area. People are seeking improvement in the quality of the basic service which is supposed to be provided by the Post Office Department, and I do not think that the Postmaster General (Mr. Côté) or the government as a whole pay the slightest attention to these complaints. With your permission, Mr. Speaker, I should like to read one or two of these complaints into the record.

The Acting Speaker (Mr. Laniel): That could be done by unanimous consent; otherwise it could not, because the hon. member's time has expired. Does the House agree to allow the hon. member to continue his remarks?

Some hon. Members: Agreed.

Mr. Dinsdale: This letter was addressed to the Prime Minister himself, by a Mr. Evans in Ashburn, Ontario:

Have you heard that your mail service stinks? That is a good old-fashioned work, like fuddle-duddle. And God help us if your government intrudes into any other functions or enterprises until it masters the mail service.

That is one letter which has come to my attention. Here is one from the United States. Perhaps this is why there is lack of communication between Canada and the United States.

Mr. Guay (St. Boniface): May I ask the hon. member a question?

The Acting Speaker (Mr. Laniel): Would the hon. member allow the hon. member for St. Boniface (Mr. Guay) to ask a question?

Mr. Dinsdale: When I have concluded my remarks, Mr. Speaker.

Mr. Guay (St. Boniface): I rise on a point of order that relates to what the hon. member was saying. I ask the hon. member for Brandon-Souris (Mr. Dinsdale) if he can quote a letter received from his constituency instead of quoting letters from the United States and Ontario.

The Acting Speaker (Mr. Laniel): I want to be fair to the hon. member, but he should not take advantage of a point of order for the purpose of asking a question.

Mr. Dinsdale: To reply briefly, I have been overwhelmed by complaints from my constituency concerning the closing of rural post offices, as the hon. member knows. But in this debate I am trying not to be parochial; I am trying to show that the problem is one of national, even international significance. The following letter was written by a lady doctor in Denver, Colorado. Strong language is used, which I shall not put on the record. She writes:

Since October 21, 1971, no communication written by me has ever been received in St. Catharines. In addition to this, since that date, none of the communications from St. Catharines has been received by me . . . Would you please send someone to find where all of those sacks of mail have been for all of these months and could you please get them delivered? I would be eternally grateful.

That letter, too, was directed to the Prime Minister, among others. I could read many more, similar complaints but my time has expired. I shall conclude by saying that in 1963 the Prime Minister wrote of the Liberal government of that day:

There is not one man in this party to whom principles mean more than power.

The same men, the men of whom he wrote so bitterly, sit beside him on the government front benches today. Nothing has changed except the title of the jobs they hold, and their grim determination to hang on to office at any cost is as evident today as it was ten years ago.

• (2030)

I would urge hon. gentlemen opposite, if they really want to understand what is going on in Canada, to get out and listen to the people. The old slogan, "Power, patronage and perpetuity", which has long been a slogan adhered to by successive Liberal governments, will not be realized following the next election.

[The Acting Speaker (Mr. Laniel).]

The Acting Speaker (Mr. Laniel): The hon. member for St. Boniface wishes to ask the hon. member for Brandon-Souris a question.

Mr. Guay (St. Boniface): Thank you, Mr. Speaker. I should like to ask the hon. member for Brandon-Souris whether the policy of his party, the loyal opposition, regarding recognition of all land claims, aboriginal rights and obligations to the Indians, is as he mentioned a while ago in his speech.

Mr. Dinsdale: Mr. Speaker, I am very pleased to answer the hon. gentleman's question. If he would look at the records at the time the previous Conservative government was in office—

Mr. Guay (St. Boniface): I asked whether it was present policy.

Mr. Dinsdale: Let me answer the question—there was an item of government business on the order paper to set up a land claims commission at that time. Then in 1963 the government changed, and no action has been taken by two successive Liberal governments since they assumed office.

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I should like to join my colleagues in this House in congratulating the mover and seconder of the Address in Reply to the Speech from the Throne for a job well done.

I am rising today to speak about the government's plans to improve the fabric of Canadian social justice. I hope to back up these plans by establishing the bona fides of the government in this area over the past few months, and certainly during its term of office. In doing so, I bear in mind what the Minister of Finance (Mr. Turner) stated in his address to the House last week. He said that statistics are no substitute for the individual citizen's well-being. We can talk all we like about participatory democracy, we can mention the millions of dollars that we have spent or intend to spend on items like old age security, family income security, medicare, hospital insurance, rehabilitative welfare services and the like, but in the end a satisfactory participation level depends upon the individual.

When we talk about the individual in the context of social justice, we come down to the individual's alienation from the society in which he lives and from his fellow Canadians, all of whom contribute to the cause of this feeling of alienation. We are familiar with many of these causes: the bigness of our institutions—the "bigness" syndrome of industrially-developed countries like Canada. This tends to make the individual feel small, to make him feel that his role is sometimes meaningless and lost.

All this has resulted from rapid technological change and great innovations in the area of automation and cybernation. This alienation is also contributed to by the rising expectations which our consumer-oriented society all too often is geared to create but unable to fulfil. Once these rising expectations are created, individuals feel alienated by poverty, by feeling uncertain in an era of rapid social change. They are fearful because the old values on which they base their pattern of life and look to for certain security for the future no longer seem to be there.

Therefore, when we talk about alienation of the individual and the participation level of the individual in society, we must concern ourselves with policies designed to cope with the situation. The three components of this policy seem to me, depending of course on the nature and quality of the service to the individual, to break down, firstly, to that of economic security, secondly, access to services and, thirdly, the individual's involvement in decision-making.

First let me talk about the individual's economic security as a way of combating his alienation from society and his fellow man. By "economic security" we are really talking about finding jobs for the individual. To a large extent this is what economic security means to him.

What has the government done to establish its bona fides in regard to future plans? May I talk about those who are already employed—the employables, if you like. I am talking not only of those who are employed but of those who are employable and are waiting to get into the labour force. What are some of the government's policies for them? Under the Department of Industry, Trade and Commerce we have the PAIT program which is designed to encourage industry to make breakthroughs in areas of new technology: we award them grants to carry on and develop that new technology. That is one example. Export development grants is another program of the government. Accelerated rates of depreciation is another. Setting up boards, such as the textile review board, to encourage industry in their particular area and to keep that sector of our industry alive is yet another policy of the government.

The second area of stimulation of the private sector in terms of job creation is the attention we have paid to slow-growth areas through our regional development programs. Thirdly in the area of providing stimulation to the private sector to provide jobs, I think we should mention our manpower training program and our encouragement to industry to provide training within industry itself through direct government grants. In this connection I refer also to direct grants under the Local Initiatives Program and the winter employment municipal loans fund. It seems to me that all these programs are designed to encourage the private sector to provide jobs.

There is also the Opportunities for Youth program. In terms of our youth, this program is designed to encourage the private sector to provide jobs for youth. These are some of the many policies that have been implemented by this government over recent months and years to provide a degree of economic security for Canadians.

As I mentioned at the beginning, these policies were designed for those Canadians who are employable. Within that category, of course, there are Canadians who are employable but who have special problems which for one reason or another are inhibitors in terms of their finding ready access to the labour market. There are three areas here about which I wish to speak. Firstly, there are the physically handicapped. What have we done for these people? We have the vocational rehabilitation program, and we have very recently increased veterans disability pensions.

• (2040)

Secondly, we have the socially and emotionally handicapped, those who unfortunately have a minimum of education, who are often below manpower retraining standards and have suffered from long-term unemployment. What are some of our policies to help these people? We have the work activity projects under the Canada Assistance Plan which are covered by a cost-sharing arrangement with the provinces. Lately we have very much encouraged the provinces to take greater advantage of this provision under the Canada Assistance Plan and to submit work activity projects that carry with them personal counselling and professional help to the long-term unemployed in order to help them acquire work habits which would enable them to re-enter the labour market.

Another group of employables who have special problems is mothers who are alone, or spouses without partners who have children they must support and who are considered employable. It would enrich their lives as well as their children's lives if they could enter the labour market. What have we done in this area? Under the Canada Assistance Plan we provide financial assistance, under a cost-sharing arrangement with the provinces, to provide day-care centres. In the fiscal year 1971-72 the federal government spent approximately $4 million for this purpose which, counting the provincial share, represents over $8 million in the last fiscal year to commence, in combination with the private sector, a network of day-care centres to allow mothers who are alone to go into the labour market to pick up either full-time or part-time work.

Also, in discussing the provision of economic security for individuals we must also take into account those people in our work force who are unemployable, who are permanently out of the work force and who could not re-enter it even if they wanted to do so. What have we done for this group of people? Of course, a very large segment of the Canadian population which is permanently out of the work force is our senior citizens, many of whom, because of infirmity or advanced age, could not work even if they were desirous of doing so and even if the government wished them to do so.

Recently we raised the level of the guaranteed income supplement. No matter what criticism it may be subject to, the government has raised the basic income floor for over one million Canadians who now obtain the guaranteed income supplement either in whole or in part to levels which are now nearly approaching the level of adequacy and which are far more generous than anything we have known before.

I spoke about policies designed to help senior citizens who are permanently out of the work force. The next group of individuals with whom we must concern ourselves, who are permanently out of the work force, is the disabled. As indicated in the white paper on income security, the government has shown that this is a group of people we must next take into consideration. The white paper spoke about applying the same technique as is applied in the guaranteed income supplement to the disabled, so as to provide them with a basic guaranteed minimum income upon which they can rely. It can be subject to an income test and does not carry with it the humiliation of a means or a needs test.

We spoke about what we have done for the employables in terms of stimulating the private sector; we spoke about employables with special problems and about some of the

programs we have devised to assist these people. We spoke about the unemployed who are permanently out of the work force. There is another group of Canadians who are suffering from low incomes, that is people who are in the work force but who are earning marginal incomes. What has the government done for them, and what does it plan to do to assist them?

In terms of the federal government's capacity to do so, and in terms of our jurisdiction under the constitution, we have provided increases in the minimum wage levels for all working in industries falling within federal jurisdiction, during the life of this Parliament, to the degree that those levels are well in advance of most of the minimum wage laws of the provinces. I do not say this with any degree of exultation, but I think all hon. members are aware of it.

What else have we done for many Canadians in the work force earning marginal incomes? Many of them are veterans for whom we have provided increases during the life of this Parliament under war veterans allowances. This does provide income supplementation for them. I would refer in this regard to the recent tax bill of the former minister of finance, which provided assistance to people earning marginal incomes whereby upward of one million persons were taken off the tax rolls entirely.

I might speak here about all the people who fall in this category and who have benefited from the greatly enriched benefit structure of the Unemployment Insurance Act. Of course, I should refer also to a policy we have discussed in this Parliament, one on which I have spoken, on behalf of the government, with the provinces. I refer to the Family Income Security Plan which I hope to bring before this House very soon. This will afford meaningful income supplementation to hundreds of thousands of families the heads of which are in the labour force and are working but are working at marginal incomes.

This plan provides for that inevitable deficiency which occurs in the private sector where private industry rewards a man on the basis of his ability and his value to that particular industry, but without any regard to his dependants. The Family Income Security Plan takes this increased dependency into account and provides income supplementation.

I have spoken of some of the policies already adopted and some we intend to adopt in terms of assistance to that group of individuals who are already in the work force but are earning too little in many cases. Now I would like to move on to the second major area which I identified in my opening remarks in terms of a basic policy designed to cope with the alienation of the individual and to enhance social justice in Canada, that is, access to services.

This area is very important indeed but is one about which we do not talk very much in Parliament. We all know that the health of the individual is basic to his person and to his family. In the area of personal health, we know that Canada, in relation to many of the countries in the free world, has one of the lowest ratios of doctors to population and one of the lowest ratios of hospital beds to population. At the same time, we know that in relative terms we have a well developed health delivery system. But we know there are deficiencies in terms of the distribution of these services, in terms of the distribution throughout Canada of our doctors, of our medical health and health personnel and especially in terms of lack of adequate distribution in low-income areas and in rural areas.

What has the government endeavoured to do in this area? We have suggested a new policy to the provinces, the new health cost-sharing arrangements. They are designed to keep costs to a reasonable level. This is essential if we are not to price these services beyond the public's ability to pay and perhaps risk total public disapproval of schemes such as medicare and hospitalization, which I think a majority of the members of this House endorse.

• (2050)

What else have these policies been designed to do? They have been designed to sponsor new health delivery systems in order to bring them closer to the public. I have talked about the new cost-sharing formula and in particular the Thrust fund provision that will give greater flexibility to the provinces to develop community health centres and services which will relieve the burden on active treatment facilities that are so costly, and in many cases are utilized by people who do not really need them. Among other things that the policies are designed to do is bring about improved redistribution of resources. Here I refer to the special incentives to doctors to move into rural areas and thus improve our distribution of health personnel.

The Thrust fund will also help provinces to undertake new schemes in this area. It will allow them to develop new paramedical personnel, which will relieve the burdensome task on many of our doctors who are now providing a service that, because of their high qualifications, in effect is a waste. Many doctors admit that all too many of their man-hours are spent on tasks which other trained personnel could perform just as adequately.

Of course, one of the basic fundamental philosophies in the whole health cost proposals is the great emphasis we are placing on preventive techniques, which will mean greater improvement in health services for Canadians. In recent years we have put too much emphasis on curative medicine as distinct from preventive medicine. The Thrust fund and the new health cost-sharing proposals will also encourage such programs as mass screening that will detect illnesses which have not yet come to the surface, thus allowing a quicker response to them and allowing us to save many lives that might otherwise be lost. Here I am talking about mass immunization programs and much greater emphasis on public health programs, including improvement of the diet of all Canadians.

In talking about access to services, I might also mention what we have also done in the health area but we often do not think of in terms of health programs, but which nevertheless forms part of them. I am talking about the program to enhance the physical fitness of Canadians. Here I would refer briefly to the creation of Sport Canada and Recreation Canada. Over the course of the last three years the financial resources put into these areas have been more than doubled.

Dealing with this subject, I refer to the agency specifically set up to increase participation in physical recreation which enjoys the co-operation of both government and industry and which can call on the private sector,

especially the media, that is, television, newspapers and radio, to combine with us in packaging programs which can have a much greater impact upon Canadians. Here, in terms of past bona fides, I talk of our Cross-Canada Sports Demonstration, and our Sports Caravan which is now going around many parts of this country, bringing the message of physical fitness and sports involvement directly to the mass of the public and schoolchildren.

I also talk about government programs designed to increase local facilities through grants under DREE, and the winter employment municipal grants. I also refer to our department's facility survey conducted last summer—will be conducted again this coming summer—to help rural areas develop greater use of facilities already in existence. Of course, I also refer to the Opportunities for Youth program and the Local Initiatives Program which have assisted work in the recreational area, with people at the grass-roots level. I also refer to grants to groups such as Indian bodies to permit them to develop recreational and physical fitness programs.

Here, too, I talk about our sports administration centre which has brought together on a more adequate basis the administrative people in our sports bodies, thus assisting them in the technical area in terms of coaching so that they in turn can stimulate greater use of facilities in Canada and a greater degree of mass participation in sports. I also refer to our Canadian Games which now are almost a national event in Canada, in addition to the Canadian Olympics. Under both programs we give grants to municipalities to develop sports and recreational facilities for the long term.

I refer also the Canadian fitness awards scheme which we have introduced to all primary and secondary schools in Canada, which is designed to provide incentive to our young people to acquire awards in accordance with the standards set out in the scheme. I also refer to our scholarship program which is encouraging many of our young people to be an example to the rest of the Canadian public. These are some of the positive programs we are undertaking in this area on the health side.

But, Mr. Speaker, some negative influences have been at work in our community on the health side, of which hon. members are aware. Here I refer to the misuse of drugs by an all too alarming number of Canadians. In this area we have commissioned the Le Dain report. That commission has already brought in a preliminary report, and more recently the first instalment of its final report on treatment. I would point out that we had acted on many of the recommendations even before the final report on treatment came out. Here I refer in particular to our recent action which received the general approbation of hon. members, placing greater restrictive use on amphetamines and methadone.

Under our drug abuse program we have taken steps to get into the area of street-level analysis and into the area of research into illicit drugs. There are also the innovative service grants that we established during the last two years which give grants to local agencies to help people with drug problems as well as related problems connected with food, clothing and shelter, and diseases that all too often go with drug abuse, such as VD. We have funded drop-in centres and crisis centres to help people who are having so-called bad trips or are suffering very serious illness because of drug abuse.

I also refer to funds provided for public education programs designed to establish a basis of credibility so that we can motivate Canadians, especially young people who have not yet resorted to drugs, not to do so and to persuade those committing drug abuse to discontinue their habit.

Another area, in terms of access to services, is that of the impact of the law on the individual. In the Speech from the Throne we heard of the intention of the Minister of Justice to provide a legal aid, in combination with the provinces, to those who have been charged with criminal offences.

I think the House may be well aware of what we have done on the civil side, and particularly at the lower income level, through our national welfare grants. Here we have been prepared to fund at the local level organizations which are prepared to emphasize, first the curative side and then the preventive side in terms of legal services. On the curative side I refer, in terms of assistance, to people who have, for example, landlord and tenant problems or debtor and creditor problems. On the preventive side, with the aid of our grants people can receive counselling on their rights, especially in the consumer area in which many low-income people suffer discrimination. With respect to welfare appeal rights, our grants can assist them to better learn what their rights are.

• (2100)

I would refer to the advocative side where we would talk in terms of funding some groups to bring group action in pollution cases, urban redevelopment cases and tenants' rights organizations; this would allow them to better organize in order to present their point of view. There are techniques here, such as those the government has, which can be used to assist individuals to have access to services.

On the legislative side there is, of course, a role for government, Mr. Speaker, both before and after any confrontation with the law which may be necessary. First, I should like to deal with the preventative side where legislation is designed to assist the individual before any involvement with the courts and the adversary system. There are the government programs for consumer protection. One which I am sure stands out in our minds was brought into this House by the previous minister of consumer and corporate affairs and was passed. This was part X of the Bankruptcy Act, where a person in the low-income category, a debtor, can now have greater access to public trustees to advance a declaration of his bankruptcy in order to become devoid of his debts. Another is the Bills of Exchange Act. At one time, upon a third party assumption of a promissory note, the third party did not have to accept any of the obligations of the person with whom the debtor originally made the contract. This situation has been corrected.

Legislation has been implemented on the rehabilitation side. I refer to the Criminal Code amendments announced by the Minister of Justice (Mr. Lang) a few days ago. The highlights are conditional and absolute discharge, intermittent sentences and matters that the Solicitor General

(Mr. Goyer) and the Minister of Justice have talked about in terms of penal reform.

Having talked about the individual in terms of our health legislation and policies and in relation to our law, I should now like to speak about families and how we have assisted them in terms of access to services. One area is housing. I would point out that in 1971 we had the highest record in dwelling houses built in Canada, with a record number of homes for low-income families. In the Speech from the Throne the government has referred to fresh new concepts in neighbourhood improvement and new emphasis on low-cost housing.

I refer, as well, to our policies in the Department of National Health and Welfare relative to family planning where this information is made available to everybody. Too often only the higher income groups have had access to this information, but our program is designed to provide it to all regardless of income.

The Acting Speaker (Mr. Boulanger): Order. I regret to interrupt, but the time of the hon. Minister has expired. If the minister wishes to continue, I must have the consent of the House.

Mr. Knowles (Winnipeg North Centre): Five minutes; agreed.

Some hon. Members: Agreed.

Mr. McCleave: He is not hurting us.

Mr. Munro: Thank you, Mr. Speaker, and hon. members. I think I can finish in five minutes. I should like to mention some of the policies of the government which have general application in terms of access to services. There are the initiatives we have taken in regard to nutritional upgrading. I have written to many hon. members about the Nutrition Canada survey which is going on now and which will permit us to ascertain the diets of Canadians, their eating habits, so that we can design policies to improve or correct these. The findings of this survey will be available soon.

I have spoken of improved health services for our native peoples. In the last three years we have increased the budget to the point where the native people themselves are prepared to admit that the program has improved. I think it is safe to predict that the infant mortality rate amongst our native peoples will decrease. I have spoken also about the action taken to reduce the high cost of prescription drugs. We have enclosed with the old age pension cheques and family allowance cheques a list of the comparative prices of drugs. A quality inspection system has been established within the Food and Drug Directorate, and in the course of the next year and a half we will be able to send information to physicians showing them that on the basis of our tests they can depend, where it is so, on generic drugs and brand name drugs being of equal quality.

Many physicians have indicated that they are not prepared to prescribe a generic drug because they are not confident that its quality is equivalent to the brand name drug. We are prepared to increase funding in order to give them that assurance. This program will bring down the cost of drugs. I refer, also, to action taken in this area by the former minister of consumer and corporate affairs in terms of the Patent Act which has had the effect of bringing down the cost of drugs.

Mr. Speaker, I have talked about two main areas, the economic security proposals of the government and access to services. We have brought in meaningful prroposals designed to combat poverty and to increase the participation level of the individual and thus bring about a greater degree of social justice. The third area, one in which I cannot enlarge to any degree due to time constraint, is access to decision-making. I would point out the many programs we have designed such as the Opportunities for Youth program, innovative service grants in the drug abuse area and welfare grants to enable low-income people to organize and express their views. Then there are the minority group citizenship grants under the Secretary of State (Mr. Pelletier), which allow people to organize and present their views and preserve their very distinct qualities as Canadians, and the multicultural grants recently announced by the Secretary of State. All these are designed to enhance the accessibility of the decision-making process to Canadians.

We have used as a government the participation role in the design of policies. This technique was used in the white paper on tax reform and I have used it in my department on income security programs where we have received input from people knowledgeable in that field. There is our recent action in terms of providing greater equality to women. We have received the royal commission report and many departments, including my own, are providing a greater role for women who are being appointed to more national boards and, within my department, to advisory boards where they have equality in designing social policies. There are also policies designed to involve our retired citizens. I refer of course, to the Canadian Executive Service Overseas program under the Department of External Affairs. Also under our welfare grants programs we are providing funds to enable senior citizens to come together in meaningful endeavours.

In conclusion, from the Speech from the Throne we learn that we can look forward to new policies in terms of access to services, such as new policies in housing, new policies in terms of more humane treatment of offenders and in the area of drugs. In terms of economic security we can expect policies in the family income security area and policies designed to provide compensation for victims of crime. There is a rich record of governmental accomplishment in terms of social justice in these three main areas. These are three main, necessary areas involving social justice for Canadians. Certainly, the proposals in the Speech from the Throne will enhance these policies and bring social justice, as a reality, closer to Canadians.

• (2110)

Mr. Derek Blackburn (Brant): Mr. Speaker, I was most interested to hear the minister's speech. There is no doubt that his department and other departments of government have brought forward many programs over the past four years. I was interested to hear him say that to a great extent one of our big problems today is that of human alienation. It would be funny, if it were not so tragic, to suggest that despite the hundreds of millions of dollars being spent today by this government, in my opinion people today are more isolated than ever before. They feel

more alienated than ever before from a computer-oriented, de-personalized government. It makes little difference if you talk about new programs in terms of quantity: it is quality and closeness to the individual in society that counts, so far as I am concerned.

Some hon. Members: Hear, hear!

Mr. Blackburn: Mr. Speaker, even though it is not the first speech I have made in the House, I should like to take this opportunity to tell hon. members something about my constituency. This will not be the usual, flowery description of the greatest little corner of Canada, for surely this is too serious an occasion for that; but it will be, rather, an analysis of many of the ill effects the present regime has had on that constituency.

One of the main reasons, Mr. Speaker, why many people in Brant did not vote for the Liberal candidate in the by-election last spring was that they had become disillusioned with Liberal party policies. Today, if you go west, that disillusionment is even greater. If you go east, the disillusionment is greater, too. This government is a government whose major strength came from central Canada in 1968—and my riding, Brant, is in central Canada. So the disillusionment today is not only widespread but intensive in central Canada, where the party in power had its strength four years ago.

As far as population is concerned, Mr. Speaker, the federal riding of Brant consists mainly of the city of Brantford, the town of Paris and the villages of Burford and St. George, with a combined population of some 75,000 people. Rural Brant is populated mainly by good, progressive farmers specializing in dairying, beef, hogs and cash cropping. Both urban and rural Brant have suffered as a result of government policies—or lack of them.

To begin, I should like to discuss the single, most pressing problem in urban, and to some extent rural, Brant. I am, of course, referring to unemployment. Since 1970 the official rate of unemployment has hovered around the 8 per cent mark. The unofficial rate has gone to between 12 and 15 per cent, thanks to the former minister of finance's bungling of the economy. His name has become a pretty miserable household word in my riding. The unofficial rate of between 12 and 15 per cent was given to me by an employee of the Unemployment Insurance Commission in Hamilton.

The present government has become famous for its almost zealous devotion to statistics. But, Mr. Speaker, let us look at the flesh and blood behind the statistics. Let us look at the misery and social dislocation caused by severe unemployment in just one riding, where unemployment insurance claimants are being forced to go on the welfare rolls because of the ineptitude and utter chaos that now reigns in the Unemployment Insurance Commission throughout this country. I receive 25 to 30 phone calls a day and 20 letters a week. The vast majority of these cases concern unemployment and unemployment insurance.

Mr. Speaker, I was elected to represent all the interests of Brant. I was elected to be a parliamentarian. Considering the salary I receive, I do not think that 75 per cent of my time should be devoted to acting as a troubleshooter for the Unemployment Insurance Commission.

Some hon. Members: Hear, hear!

Mr. Blackburn: Since I was elected I have never shunned my responsibility as a member whose primary concern has always been the best interests of his riding. People, out of desperation, phone me to see if I can get them a job or an unemployment insurance cheque. Contrary to popular opinion, the vast majority of unemployed persons in my riding and elsewhere in Canada in fact wants to work. For a man to sit around home all day is both degrading and depressing. He loses his sense of worth as head of a family and eventually begins to lose his self-respect. Yet our Prime Minister (Mr. Trudeau), who has never had to go through the agony of hustling for a job in his life, has the unmitigated gall to tell the jobless of this country, most of whom are out of work as a direct result of his stupid and irrational economic policies, that there are all kinds of jobs across the country if only the unemployed would get up off their behinds and go to where the jobs are.

The Prime Minister reminds me of some of the Paraohs of ancient Egypt summoning the masses to come and chip stone and build a pyramid. He also says, outside the House, in his heartless way that the jobless will not work because they will not accept a wage of $1.75 an hour. Who can raise a family today with dignity and hope, in this "just society", on $1.75 an hour?

What the Prime Minister has failed to tell the jobless is that there are approximately 40,000 jobs chasing nearly 700,000 unemployed, and that most of those 40,000 job vacancies require highly skilled persons, not the kind presently going through manpower retraining. In my opinion, Mr. Speaker, manpower retraining has become just another Liberal gimmick to reduce unemployment figures. Most of the trainees, who have been trained at tremendous expense to the taxpayer, find it virtually impossible to obtain gainful employment after finishing their courses. In fact, Mr. Speaker, there is virtually no relationship between manpower retraining courses and present job vacancies. I think this illustrates once again the almost total lack of economic planning on the part of the mod-squad government with which this country is presently faced.

As for moving around the country in search of work, I am reminded of John Steinbeck's epic novel "The Grapes of Wrath". At least at the height of the great depression there was some excuse for this kind of tragedy. It seems to me that our Prime Minister is still thinking in terms of the Okies' search for employment in southern California. The Prime Minister has once again evaded the truth. I have personally attempted to get jobs for men in my riding in the north and western parts of Canada, but I have found it virtually impossible to get a local Manpower officer to advise a man whose savings have already been wiped out by a grossly inefficient Unemployment Insurance Commission to head north or west, or anywhere for that matter. The answer I always get is, "He'll likely end up on welfare if he gets stuck out there."

So you see, Mr. Speaker, not only has this government created misery and hardship for hundreds of thousands of Canadians, but the Prime Minister has attempted to mislead the people on his jaunts across the country. Just last weekend he told an audience in Sturgeon Falls that he

was glad he could get out to the people and tell them the truth. Apparently this time around we are to have yet another truth squad. I say to you, some squad; some truth!

I come now, Mr. Speaker, to the horrendous and demoralizing problem hundreds of people in my riding are having with the Unemployment Insurance Commission. First, it is the consensus of people I have talked to that unemployment insurance advertising is misleading on two major points. It is claimed, first, that the waiting period is only two weeks, whereas it can be between three and four weeks after the claimant has applied. Actually, the minimum time that elapses between when the claim is established and the day the claimant's first cheque arrives is five weeks, making a waiting period in some cases of eight or nine weeks.

• (2120)

Let us bear in mind, Mr. Speaker, that the savings of most people today are exhausted after one month without income. No wonder the tension, no wonder the frustration, no wonder the bitterness engendered by such an inexcusable mess within the Unemployment Insurance Commission! There is only one man responsible for this mess, the man who was given the mandate to establish a "just society"—the Prime Minister.

The other misleading factor is that most people have been led to believe that they will receive increased benefits under the new Unemployment Insurance Act. I suggest to you, Mr. Speaker, that is not entirely accurate. To begin with virtually no claimants qualify for the $100 per week maximum. Secondly, now that benefits are taxable, the average net cheque is virtually no greater than it was under the old act. Moreover, because many claimants fail to qualify for the major attachment requiring a minimum 20-week work period due to the on again-off again employment picture brought about by the government's inane economic policies, their benefits are still very low, averaging $50 per week after taxes. Yet unemployment insurance claimants are being told that the new act provides the greatest unemployment insurance program in the world. Some program!

I would now like to illustrate my condemnation of the de-personalized, computer-oriented Liberal regime by citing specific cases relating to the Unemployment Insurance Commission. I received a letter from a constituent, dated February 19, 1972; I will not mention his name. I quote from the letter:

Dear Mr. Blackburn:

I am another of those having trouble with the Unemployment Insurance Commission. I was laid off December 3, 1971; all I have received so far is a card every two weeks to send back in and a notice to Claimant stating, "A decision on your claim has not yet been made". The only thing I know is that my claim is dated from December 5, 1971. Also, I was told two weeks ago to expect a cheque within two weeks. As yet none has come. At the moment I have another card to mail back the weekend of the 27th of February. The only people who seem to get any results are those who go to their MPs. It seems that once UIC puts you on the delay circuit they are not able to get you off without help.

Mr. Speaker, I cite another example. A man got in touch with me on February 17, 1972. He applied for benefit and received report cards from last September. He received his first cheque on February 14. I will cite another case. I received a telephone call from a man on January 21, 1972.

[Mr. Blackburn.]

He had been laid off the second week of November, 1971. He received a letter saying that all benefits were refused. He received a second letter stating that his claim was established for the 32 weeks at $70 a week. As of January 21, 1972, he had received no benefits. However, in a letter dated January 26, 1972, from the chief of Insurance Operations, Hamilton Unemployment Insurance Commission, I was informed as follows:

The reason for the delay in Mr.—

I will not mention his name.

—claim is that the decision of the insurance officer did not get matched with his payment register in Belleville.

Remember, he had been laid off in November. I suggest to you, Mr. Speaker, that it is very simple to present this kind of excuse but it is not easy to be the victim of such gross incompetence.

Some hon. Members: Hear, hear!

Mr. Blackburn: This government must realize that it is dealing with human beings, not punch-cards in a computer. In concluding this section of my remarks let me cite one more example. I do not wish to overdramatize or emotionalize, but a man came to my home one day in tears: for the previous week he, his wife and young daughter had been living on potatoes and rice, and if it had not been for his $6 baby bonus he would have been forced to go on welfare. It is absolutely repugnant to me that any person who is forced by law to contribute to the unemployment insurance fund should be forced to go to welfare, begging.

Some hon. Members: Hear, hear!

Mr. Blackburn: Yet the minister responsible for the Unemployment Insurance Commission had the audacity a few weeks ago to imply that happy days were here again when he said that unemployment insurance claimants could assign their cheques to local welfare agencies. To me, this is simply another example of gross and heartless mismanagement on the part of the government.

I have one more point to make with regard to unemployment insurance. It relates to the shutdown last August of Canadian Westinghouse in the city of Brantford. Severance pay was given to employees at the termination of their employment. This severance pay was given to them in lieu of the pension they would ordinarily have received had they been able to work to the date of their retirement.

Under the present terms of the Unemployment Insurance Act severance pay is, in my opinion, unfairly calculated as earnings. The workers were told that they could not apply for unemployment insurance until the severance pay period had run out. However, several persons I know personally were energetic and aggressive enough to apply for and get a new job within that severance pay period. Two persons in particular were subsequently laid off still within the severance pay period. Deeming their last employer not to be Canadian Westinghouse, they applied for unemployment insurance. They began receiving benefits and then subsequently were charged with an overpayment. One lady in particular has been charged with an overpayment of some $340. I consider this to be a great injustice to that person who had the gumption to go out and find herself a new job, only to be

severely penalized for having done so, and I will demand of the minister a complete explanation for this injustice.

I state most emphatically that the whole question of severance pay and vacation pay should be referred to the Standing Committee on Labour, Manpower and Immigration for reconsideration of this most despicable section of the new Unemployment Insurance Act.

Mr. Speaker: Order, please. I regret that I must interrupt the hon. member. It being 9.30 o'clock p.m., it is my duty, pursuant to special order made Wednesday, February 23 last, to interrupt these proceedings—more particularly, the hon. member—and put every question necessary to dispose of the amendment now before the House.

The question is on the amendment of the hon. member for Hamilton West (Mr. Alexander). All those in favour of the amendment will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Speaker: Call in the members.

The House divided on the amendment (Mr. Alexander) which was negatived on the following division:

(Division No. 4)

YEAS

Messrs:

Aiken
Alkenbrack
Asselin
Barnett
Bell
Benjamin
Bigg
Blackburn
Brewin
Burton
Crouse
Danforth
Dinsdale
Dionne
Flemming
Forrestall
Gilbert
Gleave
Godin
Grills
Hales
Harding
Harkness
Hees
Howe
Knight
Knowles (Winnipeg North Centre)
Korchinski
Laprise
La Salle
Lundrigan
MacDonald (Egmont)
MacInnis (Cape Breton-East Richmond)
MacKay
MacLean
Macquarrie
MacRae
McCleave
McCutcheon
McGrath
McQuaid
Mather
Moore
Muir
Murta
Nesbitt
Nielsen
Noble
Nowlan
Nystrom
Orlikow
Paproski
Peddle
Peters
Ricard
Ritchie
Rodrigue
Rondeau
Rose
Ryan
Rynard
Saltsman
Scott
Simpson
Skoberg
Skoreyko
Southam
Stanfield
Steward (Marquette)
Thompson (Red Deer)
Thomson (Battleford-Kindersley)
Woolliams—72.

Divison

NAYS

Messrs:

Allmand
Badanai
Barrett
Basford
Béchard
Beer
Benson
Blouin
Borrie
Boulanger
Caccia
Cafik
Cantin
Clermont
Cobbe
Comtois
Corbin
Corriveau
Crossman
Cullen
Cyr
Danson
Davis
Deachman
De Bané
Drury
Dubé
Dupras
Duquet
Éthier
Faulkner
Forest
Forget
Foster
Francis
Gendron
Gillespie
Goode
Goyer
Gray
Groos
Guay (St. Boniface)
Guay (Lévis)
Haidasz
Hogarth
Hopkins
Howard (Okanagan Boundary)
Hymmen
Isabelle
Jerome
Kaplan
Lachance
Laflamme
Laing (Vancouver South)
Lajoie
Lang (Saskatoon-Humboldt)
Langlois
Laniel
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
L'Heureux
Lind
Loiselle
MacEachen
MacGuigan
McBride
McIlraith
McNulty
Mahoney
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Munro
Murphy
Noël
O'Connell
Osler
Ouellet
Pelletier
Perrault
Portelance
Pringle
Reid
Richardson
Rochon
Rock
Roy (Laval)
Serré
Sharp
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
Stewart (Okanagan-Kootenay)
St. Pierre
Sulatycky
Thomas (Maisonneuve-Rosemont)
Tolmie
Trudeau
Trudel
Turner (London East)
Wahn
Walker
Watson
Weatherhead
Whelan
Whicher
Yanakis—111.

• (2150)

Mr. Speaker: I declare the amendment lost.

At 9.55 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, February 29, 1972

The House met at 11 a.m.

ROUTINE PROCEEDINGS

ADMINISTRATION OF JUSTICE

ESCAPE FROM CUSTODY OF YVES GEOFFROY—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise to ask leave of the House to present a motion under Standing Order 43. I present it in the lowest key possible. I want to provoke nobody, and I dare to hope that the government will see fit to accept my motion. Indeed, I have given notice of it to the President of the Privy Council (Mr. MacEachen).

In view of the fact that we are getting nowhere in batting a certain issue back and forth across the floor of this House, and in view of the fact that the public would like an independent judgment, I move, seconded by the hon. member for Timiskaming (Mr. Peters):

That this House requests the government to establish forthwith a judicial inquiry into all matters relating to the escape from custody of Yves Geoffroy.

If the government would like time to think it over that would be fine, but it is a matter that should be settled independently.

Mr. Speaker: The hon. member has proposed a motion under the terms of Standing Order 43. This motion requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: The motion cannot be put.

* * *

PRIVILEGE

MR. STANFIELD—ALLEGED DELETION FROM "HANSARD"

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I realize that perhaps the time to do this has gone by but I would like your permission to raise a question about a deletion from *Hansard* as the result of an exchange between the Prime Minister (Mr. Trudeau) and myself yesterday.

I say quite frankly, Mr. Speaker, that I did not hear what the Prime Minister said to me, but I saw what was in the blues and it has been deleted from *Hansard*. I feel duty bound to raise the question as to why this has been changed and under whose authority it has been changed, since it seems to me that it relates to the privileges of the House.

If somebody wants to swear at me in the House it does not matter to me personally, but I think *Hansard* should be an accurate record of what takes place in the House.

Mr. Speaker: I will look into the matter. As the Leader of the Opposition (Mr. Stanfield) and all hon. members know, the Chair does not change the transcript of what is said in the House. The reporters have entire responsibility for this, but I have taken note of the point raised by the Leader of the Opposition and I will look into the matter.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, on the question of privilege, these words, these opprobrious and profane words were spoken by the Prime Minister.

Some hon. Members: What words?

Mr. Benson: You weren't here.

Mr. Speaker: Introduction of bills.

Mr. Diefenbaker: Mr. Speaker, the Prime Minister—

Mr. Speaker: Is the right hon. member rising on a question of privilege?

Mr. Diefenbaker: The Prime Minister owes an apology to the House and to the people of Canada for using that kind of language in the House.

Some hon. Members: Oh, oh!

* * *

HAULAGE OF LOOSE MATERIALS SAFETY BILL

PROVISIONS RESPECTING CARRIAGE OF LOADS ON PUBLIC HIGHWAYS

Mr. John L. Skoberg (Moose Jaw) moved for leave to introduce Bill C-159, respecting the safe haulage of loose materials.

• (1110)

Some hon. Members: Explain.

Mr. Skoberg: Mr. Speaker, I think the bill is self-explanatory. Its purpose is to prevent damage to motor vehicles as was pointed out when it was introduced in the last session of the House. I believe the explanatory notes spell out the reason for the introduction of the bill at this time.

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

Inquiries of the Ministry

RAILWAY ACT

PROVISION FOR REPORTING ACCIDENTS INVOLVING DAMAGE TO ROADBED OR EQUIPMENT TO TRANSPORT COMMISSION AND MAKING REPORTS PUBLIC

Mr. John L. Skoberg (Moose Jaw) moved for leave to introduce Bill C-160, to amend the Railway Act (notice of accidents).

Some hon. Members: Explain.

Mr. Skoberg: Mr. Speaker, in view of the greatly increased number of wrecks and derailments the purpose of this bill is to make it mandatory that all accidents to equipment or roadbed, the damage to which is greater than set out in subsection 3, be reported to the Canadian Transport Commission. In the past, Mr. Speaker, accidents involving damage to roadbed, other than bridges, tunnels, viaducts or culverts, were not required to be reported. I believe it is most important that this bill be introduced.

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

* * *

EXCESSIVE OUTDOOR NOISES BILL

PROVISIONS FOR CONTROL

Mr. Hubert Badanai (Fort William) moved for leave to introduce Bill C-161, respecting the control of excessive outdoor noises.

Some hon. Members: Explain.

Mr. Badanai: Mr. Speaker, the purpose of this bill is for the government to give consideration to the dimensions of the problem of noise in our society. The time has come to introduce legislation to control excessive outdoor noise produced by surface transportation, it being an environmental hazard involving a variety of physical and emotional ailments including deafness, pain and nervous breakdown.

In short, this bill is designed to provide legislation to curb unnecessary noises which, if allowed to go unchecked, will affect the nerves and health of many Canadians.

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

ORAL QUESTION PERIOD

ADMINISTRATION OF JUSTICE

RELEASE OF YVES GEOFFROY FROM ST. VINCENT DE PAUL PENITENTIARY—REQUEST FOR JUDICIAL INQUIRY

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Prime Minister. Is the government now prepared to authorize an independent or judicial inquiry into the circumstances surrounding the escape of Yves Geoffroy?

[Mr. Skoberg.]

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker. The circumstances are well known to the public.

Mr. Stanfield: In light of the suspicions that exist, is it not the view of the government that it would serve the cause of penal reform and the program that is under way if such a judicial inquiry were authorized at this time?

Mr. Trudeau: What is the question?

Mr. Stanfield: Is it not the view of the government that the cause of penal reform would be served by such an inquiry at this time in view of the suspicions that exist with regard to the circumstances surrounding the escape of Yves Geoffroy?

Mr. Trudeau: Mr. Speaker, there is no cause for suspicion.

Some hon. Members: Oh, oh!

Mr. Trudeau: The facts are well known to the public. They have been restated by the minister several times. I think the cause of penal reform would only be harmed by the line that the Leader of the Opposition is following.

Mr. Stanfield: Can the Prime Minister give any reason why an independent judicial inquiry would not be beneficial? Can he give any reason at this time why a judicial inquiry would be harmful rather than helpful to the cause of judicial reform, in view of the suspicions?

Mr. Trudeau: Yes, Mr. Speaker, I can. If the facts were not known, if the facts were not stated as clearly as possible by the government and if there were some question of an inquiry into facts which were not known, then there might be some reason for such an inquiry. But I do not think that an inquiry into the policy itself is a matter for a judge or commissioner to go into. It is for the Canadian public to say whether they are on the side of penal reform or not.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, may I direct a supplementary question to the Prime Minister. Since the Solicitor General answered a question of mine and as a result of the question made a statement in the House on this matter in which many facts were left out, since he admitted that someone made a mistake without saying who it was, since he said that if there were any irregularities there would be an inquiry, and as we now have the question of the obtaining of a false passport, would the Prime Minister not reconsider the government's position and give the Canadian people a judicial inquiry which would bring out all the facts as they really exist?

Mr. Trudeau: Mr. Speaker, the facts as they really exist are being brought out by the government to the best of its ability.

Mr. Horner: And by the newspapers.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I have a supplementary for the Prime Minister.

Since police forces are unable to track down Yves Geoffroy, could the government not try to obtain the services of a certain Toronto *Globe and Mail* newspaperman who, with great ease, had located Gerda Munsinger and Hal Banks?

* * *

[*English*]

THE CANADIAN ECONOMY

FOREIGN CONTROLLED INSURANCE COMPANIES—STEPS TO BRING ABOUT CANADIAN OWNERSHIP AND MANDATORY INVESTMENT OF CAPITAL IN CANADA

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Finance. Since a recent Swiss-based study revealed that Canada leads the world in the percentage of foreign controlled insurance companies, even being ahead of Pakistan and the Philippines, I might add, and given the fact that these companies derive over $2 billion in premium income annually from Canadians, most of which they invest outside of this country, does the minister intend to take steps to ensure that the insurance industry becomes exclusively or at least predominantly Canadian owned?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I will have to read the report to which the hon. member refers to see whether his allegations are borne out.

Mr. Broadbent: Mr. Speaker, I can assure the minister that the allegations, as he describes them, are accurate. May I also ask the minister whether his department is giving consideration to making it mandatory for the insurance industry in Canada, foreign owned or not, to invest a fixed minimum and large percentage of its acquired capital in the Canadian economy in order to create jobs in Canada?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I will take a look at the situation as the hon. member describes it to see whether his argument warrants serious consideration.

Mr. Broadbent: May I direct a further supplementary question, Mr. Speaker, to the Prime Minister. Would the Prime Minister appeal to the five directors of the Canada Development Corporation, who are at the same time directors of eight insurance companies, to use their influence to persuade their companies to invest their Canadian-derived earnings in the Canadian economy?

Mr. Speaker: Order, please. The hon. member's further supplementary is in the form of a submission or representation.

* * *

[*Translation*]

MANPOWER

MONTREAL—DEMONSTRATION OF QUEBEC WORKERS—INVITATION TO PRIME MINISTER

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I wish to direct a question to the Prime Minister.

Could he indicate whether he or a member of his cabinet was invited to attend the demonstration staged by Quebec workers at the Forum last evening?

[*English*]

Mr. Speaker: Order, please. I doubt whether that kind of question is in order.

[*Translation*]

I believe that this question should be put on the order paper. The hon. member alluded to an occurrence which already happened. It seems to me that a question relating to the fact that an invitation was or was not extended could easily be put on the order paper.

Mr. Rondeau: Ten o'clock, Mr. Speaker.

* * *

• (1120)

[*English*]

POST OFFICE

POSITION OF NEGOTIATIONS WITH UNIONS ON NEW CONTRACT—SUBMISSION BY TREASURY BOARD OF PROPOSAL ON WAGES AND JOB SECURITY

Mr. Steven E. Paproski (Edmonton Centre): My question is directed to the President of the Treasury Board. In light of the government's previous track record in negotiations with the postal unions and in light of the fact the present contract expires within the next month, can the President of the Treasury Board inform the House whether present contract talks are close to an agreement and whether Treasury Board has made a proposal on wages and job security guarantees?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, in the preliminary negotiations we have not yet reached the point where wages and job security have been discussed.

Mr. Paproski: In light of the fact that Treasury Board only sat down to negotiate some six or seven weeks before the expiry of the present contract and in light of its performance in other disputes recently, is Treasury Board going to take steps to obtain advice from the private sector on more efficient and modern labour-management practices?

Mr. Drury: Mr. Speaker, we are glad to seek and, indeed, take advice from any sector we can, including the opposition if they have any useful suggestions to make.

Mr. Paproski: May I make one suggestion? Would you please give the matter back to the Postmaster General? He can handle it better than you.

Mr. Speaker: Order, please.

Inquiries of the Ministry

ADMINISTRATION OF JUSTICE

RELEASE OF YVES GEOFFROY FROM ST. VINCENT DE PAUL PENITENTIARY—INQUIRY AS TO ADVICE FROM SECURITY PLANNING AND RESEARCH GROUP

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, my question is for the Solicitor General. On September 21 last the minister stated that his security planning and research group would be giving advice regarding the Canadian penitentiary service and the National Parole Board. Can the minister now inform the House whether he or his department had the benefit of such advice with regard to the release of Mr. Geoffroy?

* * *

ENERGY

SUPPORT OF FURTHER GAS AND OIL EXPLORATION TO REDUCE NEED TO INCREASE PRICES TO CONSUMERS

Mr. Mac T. McCutcheon (Lambton-Kent): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources but in his absence I will direct it to his parliamentary secretary. In view of recent predictions by western natural gas producers of increased prices and in light of the same indication to customers by Union Gas Company of Chatham, Ontario, has the government developed a policy to support further gas and oil exploration so that increasing reliance on increased prices to consumers can be mitigated?

Mr. Jack Cullen (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I will take notice of that question for the minister.

SUGGESTED ANALYSIS OF PRICE CONSEQUENCES OF REFUSAL BY ENERGY BOARD TO GRANT GAS EXPORT APPLICATIONS

Mr. Steven E. Paproski (Edmonton Centre): The parliamentary secretary may as well take notice of this supplementary and a couple of others that go along with it. In light of statements by natural gas producers at the Alberta gas hearings that the National Energy Board's decision to reject the recent gas export bid will likely lead to higher gas prices for private and industrial gas consumers, has the government or the National Energy Board prepared an analysis of the price consequences of that decision and, if so, will it be made public?

Mr. Jack Cullen (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I think it is fair to say that all decisions made by energy boards throughout the country are watched by the National Energy Board and the department very carefully.

Mr. Paproski: A further supplementary.

Mr. Speaker: Order, please. The hon. member will have to give other members a chance. He will be allowed one last supplementary and the Chair will then recognize the hon. member for Brant.

Mr. Paproski: In light of recent developments and uncertainties in the gas and oil industries, can the parliamentary secretary inform the House, or ask his minister to do so, when the long-promised energy policy will be made public?

[Mr. Speaker.]

Mr. Cullen: I believe the magic word is soon, Mr. Speaker.

[*Later:*]

POSSIBLE REVIEW BY NATIONAL ENERGY BOARD OF DECISION NOT TO GRANT GAS EXPORT APPLICATIONS

Mr. Eldon M. Woolliams (Calgary North): My supplementary question is supplementary to that asked by the hon. member for Edmonton Centre. It is directed to the Prime Minister. Having regard to the fact that the National Energy Board did not take into consideration the reserves which are present in the Arctic, and that the National Energy Board witnesses before the standing committee said there was no way of calculating those reserves or any reserves offshore at the present time, and since the Prime Minister said he was prepared to ask the Energy Board to review its decision, may I inquire whether he has asked for this review and, if so, when it will take place?

Right Hon. P. E. Trudeau (Prime Minister): If I correctly recall my answer at the time it was that I did not believe the government had any power to embark on a review of this situation.

Mr. Woolliams: It may be—I do not make anything of this—that the Prime Minister was misquoted during the recess, but in the news it came out he had stated he would ask for a review.

* * *

AGRICULTURE

HOGS—ADJUSTMENT OF METHOD OF PAYING SUBSIDY IN CASES OF FARMERS' PARTNERSHIPS OR JOINT PRODUCTION UNITS

Mr. Derek Blackburn (Brant): My question is directed to the Minister of Agriculture. Has the minister arrived at any decision or given serious consideration to an adjustment in the method of payment of the hog subsidy in those cases where farmers are operating in a partnership or where several farmers are operating in a joint production unit?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, we have given a great deal of consideration to this. What we are asking is that we be informed of all of the circumstances relating to the ownership and the number of people owning hogs that may have been sold to a packing house under the same name, if it is a corporation or whatever it may be. We certainly want to make rules that will be fair and equitable in this situation. As soon as we have this information we will try to accommodate that requirement.

PAYMENT OF SUBSIDY WHEN HOGS SOLD IN COMMUNITY SALES

Mr. Arnold Peters (Timiskaming): Can the Minister of Agriculture indicate whether he has been able to solve the problem in a number of areas involving a major portion of Ontario where there are no hog collecting points for the marketing agency and therefore the hogs are sold through community sales and other methods and there is no record available as to the grade when the hogs are finally slaughtered?

Hon. H. A. Olson (Minister of Agriculture): If the hogs are sold to a local slaughterhouse we believe most farmers will be able to obtain some record of the sale having been made. Though they will not know the grade we believe we can find a basis upon which to pay them about the same percentage of the total as would be paid under index 100 or higher. If, however, the animals pass through another selling ring and eventually wind up in a slaughterhouse, then obviously we cannot pay in those circumstances.

Mr. Peters: The act as presently worded does not really allow any leeway in deciding on the limitations. The act says that if the price is 90 per cent of the ten-year average, payment will be made. We have added an extra condition. Will the minister consider, in those areas where hogs are going through a ring, are being bought by drovers and then put on the market, that if records can be shown of the number of sales then at least a basic payment will be made to these producers?

Mr. Olson: We are trying to work that out, but the producer must provide us with complete evidence of the sale and that is the only sale for which payment is made to that producer.

Mr. Speaker: Order please. The Chair will recognize a last supplementary on this question and then return to the previous question and recognize the hon. member for Calgary North.

HOGS—COMPENSATION TO PRODUCERS OF WEANLINGS

Mr. A. P. Gleave (Saskatoon-Biggar): May I ask the minister a question in the light of the development in hog production in recent years? Many are engaged only in the production of weanlings; they do not finish hogs. They have also suffered considerable financial loss during the past year. Is consideration being given to some method of compensating these farmers?

Hon. H. A. Olson (Minister of Agriculture): There is automatic compensation in the marketplace because the price of this type of hog goes up very quickly if there is an improvement in the marketable or slaughter value. Also, the fact that many of these pigs were sold into the feeder market for weeks and, indeed, months at a price somewhat higher than even feeders received is automatic compensation from the marketplace for this type of sale.

[*Translation*]

FEDERAL-PROVINCIAL RELATIONS

POST-SECONDARY EDUCATION IN QUEBEC—INJUSTICE OF FISCAL ARRANGEMENTS—REVIEW OF AGREEMENT

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to put a question to the Minister of Finance.

In view of the fact that the Quebec Minister of Industry and Commerce stated, last Thursday, that the renewal of the fiscal arrangements with regard to postsecondary education perpetuates an injustice that might cost Quebec $300 million in the next five years, and that it is, I believe, the second statement the minister has made on the subject in less than a year, is the minister willing to revise the agreement on fiscal arrangements?

Hon. John N. Turner (Minister of Finance): No, Mr. Speaker. I believe that I myself, or my colleague the Secretary of State, will have the opportunity of discussing the matter, seeing the debate on the bill starts tomorrow, if I am not mistaken.

* * *

• (1130)

[*English*]

CANADIAN PACIFIC RAILWAY

REMOVAL OF STATION AGENTS, SASKATCHEWAN AND ALBERTA—REQUEST FOR REVIEW OF TRANSPORT COMMISSION ORDER BY CABINET

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Prime Minister and has to do with the question I asked on February 22 about the closures that have been approved by the Canadian Transport Commission of stations, largely in the province of Saskatchewan but as well in Alberta. At that time I asked the Prime Minister whether, in view of the fact that these closures would create a serious situation in many of our larger towns and villages, the government would give consideration to reviewing this order to the end that except for a few which naturally should be closed the overwhelming many would not be, in the interests of the economy of our province.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I said at the time that I would look into the matter and in fact did direct the question to the attention of the Minister of Transport, to whom this type of question should be addressed.

Mr. Diefenbaker: I like the way they pass the buck, Mr. Speaker. I now pass the question to the Minister of Transport, who has a reputation for not insulting the House but for answering questions.

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, this matter was raised on February 22, I believe, on the adjournment motion, at which time my parliamentary secretary replied that any and every specific complaint that the CPR is not carrying out any of the undertakings given the commission and set out in the decision will be investigated promptly and remedial action will be taken whenever warranted. That was in answer to that

part of the question having to do with the CPR failing to live up to its commitments.

On the more general question, my information is that there is an appeal procedure that can be undertaken by any of the parties affected and, of course, if they should decide to file an appeal I will certainly see that it is dealt with.

Mr. Diefenbaker: Is it not a fact that the government has already been notified of an appeal by various institutions, municipalities and the like in Saskatchewan?

Mr. Jamieson: Mr. Speaker, I would not want to quarrel with the right hon. gentleman about whether these constitute formal appeals in the sense required by the act. My information is that no such formal appeal has yet been filed, but I will be glad to find out if such is the case and advise.

SUGGESTED DELAY IN CLOSING OF CERTAIN SASKATCHEWAN STATIONS

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, I have a supplementary question for the Minister of Transport. In view of the fact that the order to close the Laurentian division stations was dated January 17 but is not to be effective until May 1, and in view of the fact that the Saskatoon division date of order was February 10, to be implemented on March 16, would the minister investigate to see what brings about this inconsistency, and would he make representations to the CPR to delay the implementation of their Saskatoon customer service plan until at least some time in May in view of the hardship that will be created by the closing on March 16?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I will be glad to sift through that question in *Hansard* to get the various representations that are in it, and I will do my best to follow them up.

Mr. Speaker: Order, please. A number of hon. members are seeking to ask supplementaries, but since we will be running short of time I will try to recognize some members who rose yesterday but were not recognized and distribute opportunities as equitably as possible.

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SHIPPING

INQUIRY AS TO FORMAL INVESTIGATION INTO SINKING OF "GULF GULL"

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is directed to the Minister of Transport. Has a decision been made yet to initiate a formal inquiry into the tragedy of the *Gulf Gull*?

Hon. Donald C. Jamieson (Minister of Transport): No, Mr. Speaker, no decision has been made, the reason being that, as I believe I outlined to the House a few days ago, the first step toward such a decision is the report on the routine inquiry that takes place immediately after the accident. When that report is received, which should be within a few days, a decision will be made whether any further inquiry is desirable.

Mr. Muir: In view of the tragic loss of the *Gulf Gull* and the loss of six lives, would the minister take it upon himself to bring to the attention of the House as soon as possible the decision that is reached regarding a formal inquiry?

Mr. Jamieson: I shall be glad to do that, Mr. Speaker.

* * *

[*Translation*]

CANADIAN CONSTITUTION

QUEBEC—ACCEPTANCE OF PROPOSED CHARTER—DISCUSSION WITH OTTAWA RESPECTING JURISDICTION OVER SOCIAL SECURITY

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I should like to put a question to the Prime Minister.

Yesterday when the Prime Minister was questioned about the constitutional review, he suggested that his government was not interested in resuming the debate as long as Quebec does not submit other proposals.

Since Ottawa and Quebec are discussing possible arrangements in the fields of family allowances and manpower, is it not an indication that Quebec would like the debate on constitutional matters to progress?

Right Hon. P. E. Trudeau (Prime Minister): On the contrary, Mr. Speaker. The province of Quebec, as far as I know, does not wish that those discussions be considered from the constitutional point of view but only at a statutory and administrative levels, which I regret.

Mr. Asselin: Mr. Speaker, I should like to put a supplementary.

Did the federal government put as a condition that an agreement in the fields of family allowances and manpower would be subject to acceptance by Quebec of the proposed Victoria charter, or other similar proposals in the constitutional field?

Mr. Trudeau: Not at all, Mr. Speaker.

* * *

[*English*]

CONSUMER AFFAIRS

REQUEST FOR STATEMENT ON MANUFACTURING AND TESTING OF TOYS

Mr. David MacDonald (Egmont): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs who is supposed to be in the House today but is not. Perhaps he will be here soon, but in the meantime may I give his parliamentary secretary notice of my question.

In view of statements made recently by the Canadian toy manufacturers to the effect that certain kinds of regulatory action being taken by officials under the Hazardous Products Marketing Act is having a very restrictive effect on the present manufacture of toys, and in view

of the recent withdrawal of support by the toy manufacturers for the toy testing council, would the minister be prepared to make a statement on motions reporting what action is being taken by his department in order to improve the over-all situation?

Mr. D. R. Tolmie (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): I have noted this question, Mr. Speaker, and will bring it to the attention of the minister.

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VETERANS AFFAIRS

ALLEGED DISCRIMINATION BY HEALTH CLUB AGAINST VETERAN WITH WOODEN LEG

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have a question for the Minister of Veterans Affairs. Has the minister undertaken a full investigation into a clear act of discrimination against an Ottawa war veteran who lost a leg in the second world war and had his life membership in an Ottawa health club revoked when an official of that club, namely, Vic Tanny's, discovered that he had a wooden leg?

Hon. Arthur Laing (Minister of Veterans Affairs): Mr. Speaker, I would doubt very much that interference on my part or on the part of the Department of Veterans Affairs would be very helpful in this particular case.

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HOUSING

ROCHDALE COLLEGE—PRESENT POSITION OF FORECLOSURE PROCEEDINGS

Mr. Rud L. Whiting (Halton): Mr. Speaker, I should like to direct my question to the Minister of State for Urban Affairs. Would the minister be prepared to advise the House as to the present position of government action against Rochdale College?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, we are, as the House has been advised, taking foreclosure proceedings with relation to this property. We were very recently refused by the court an order for interim possession and financial management. Therefore our lawyer has been instructed to seek an early trial date and to proceed with the main foreclosure action as expeditiously as the rules of the court allow.

* * *

FINANCE

OBJECTIVE OF PRESENT MONETARY POLICY

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Minister of Finance. In light of the fact that the Bank of Canada for the last month has been pursuing a more restrictive policy and is driving up short-term interest rates, has the government's monetary policy switched from fighting unemployment to trying to control inflation and, if so, when will the minister make a statement to the House on the matter?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I might say that there is no restrictive monetary policy. I am advised that the banks have an amply supply of credit to extend to any credit-worthy borrower.

* * *

[*Translation*]

BILINGUALISM

MONCTON—POSITION OF MAYOR—POSSIBLE REACTION OF FEDERAL GOVERNMENT

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I would like to direct a question to the Minister of Regional Economic Expansion.

During the weekend, his colleague the Secretary of State stated that, if the mayor of Moncton did not modify his position with regard to bilingualism, the federal government would intervene by reducing its financial aid to that municipality. Would the minister tell the House if he intends to reduce such aid and what measures he will take—

Mr. Speaker: I have a feeling that the same question was asked yesterday. In any event, the minister may wish to answer the question.

An hon. Member: The Secretary of State is not present.

Mr. Valade: I rise on a point of order, Mr. Speaker.

Mr. Speaker: The hon. member for Sainte-Marie on a point of order.

Mr. Valade: Mr. Speaker, it appears that my point of order is related to a new development. The hon. minister, according to today's news, contradicted the Secretary of State on this point and I ask him to clarify his position.

Mr. Speaker: The hon. member will have noticed that I merely indicated my impression that the question had already been put, while leaving it to the hon. minister to reply if I was mistaken. The hon. minister may still reply to the question if he so wishes.

Mr. Valade: May I put a supplementary question, Mr. Speaker?

Mr. Speaker: The hon. member for Sainte-Marie.

Mr. Valade: Mr. Speaker, could the hon. Minister of Regional Economic Expansion inform the House whether he agrees with his colleague the Secretary of State that joint federal assistance grants to Moncton will be curtailed if the mayor of that city persists in his attitude?

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, yesterday I was in the House, as was not the hon. member for Sainte-Marie, and the hon. Secretary of State did not make the statement the hon. member alleges today.

Inquiries of the Ministru

• (1140)

[*English*]

TRANSPORT

FREIGHT RATE INCREASES, MARITIME PROVINCES—INQUIRY AS TO CORRECTIVE LEGISLATION

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is directed to the Minister of Transport. In view of the continuing complaints and protests from Atlantic Canada about the eight increases in maritime freight rates over the last 29 months, has the minister taken any action at all such as having discussions with the chairman of the Canadian Transport Commission, or does he intend to lay before the House legislation to correct this fantastic increase which is undoing all the good work that is sometimes done by the Minister of Regional Economic Expansion?

Hon. Donald C. Jamieson (Minister of Transport): There is no short answer, Mr. Speaker. As you know, I am continually bound by the National Transportation Act. But I think the hon. member has left out a lot of other things which have been done in an attempt to equalize freight rates in the Atlantic provinces.

Some hon. Members: Oh, oh!

Mr. Nowlan: Are we to understand from the minister's answer, even in an abbreviated form, that his department intends no new legislation or amendments to the National Transportation Act to correct this situation which is causing adverse conditions in the Atlantic area and undoes all the good work that has been attempted there in the last 25 years?

Mr. Jamieson: In so far as changing the legislation is concerned, I have no immediate plans to do so. But that is not the route through which any correction of the transportation problems of the Atlantic provinces could be achieved most quickly. I would assume that when my estimates are before the committee I will be asked about this matter and I will be glad to give a thorough report at that time about the many good things that have been done.

Mr. Nowlan: Ten o'clock, Mr. Speaker.

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GOVERNMENT ADMINISTRATION

METHOD OF INVESTIGATION INTO LEAKING OF CABINET DOCUMENTS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is directed to the right hon. Prime Minister. Perhaps he will recall that on February 24 I asked him about the investigation into the leaking of confidential cabinet documents and in particular whether to his knowledge any minister had sought the assistance of the Solicitor General to supplement his own efforts. The Prime Minister said he would have to look into the matter; he did not know offhand. I should like to ask him whether any of his ministers has sought the assistance of the Solicitor General regarding the leaking or disappearance of confidential cabinet documents?

[Mr. Marchand (Langelier).]

Right Hon. P. E. Trudeau (Prime Minister): I did check with the RCMP—sometimes known as the police—and I found that no minister asked for assistance.

Some hon. Members: Oh, oh!

Mr. Stanfield: Because of the interest evoked by the Prime Minister's answer I was not able to hear it and I would ask him to repeat it.

Mr. Trudeau: The answer is no.

Mr. Stanfield: I should like to ask the Prime Minister whether, in view of the fact that some of these leaks took place a number of months ago and the investigation is still left in the hands of the ministers, he expects any of us to believe that he is anxious to find out how these leaks occurred?

Mr. Speaker: Order, please. This is not a question; it is an argument.

Mr. Erik Nielsen (Yukon): I have a supplementary question for the Prime Minister. Since the RCMP have not been called upon to assist, have the so-called special security police set up a couple of years ago been asked for their assistance? I understand that this was the reason for setting up that force.

Mr. Trudeau: I have not heard of the special security police, Mr. Speaker.

Mr. Nielsen: I am sure the Prime Minister knows the force to which I refer, the force set up under the Solicitor General with the government's approval very recently. Is this not precisely the kind of thing that the security personnel should be looking into and is not that why they were established?

Mr. Trudeau: The hon. member in his question is now referring apparently to something which the Solicitor General did a few months ago, but in his previous question he said "a couple of years ago". I assure the hon. member I do not know to which force he is referring.

[*Later:*]

Mr. Nielsen: Mr. Speaker, I rise on a question of privilege. The Prime Minister has left the impression in the House that he did not know what I was speaking about when I referred to the security force which should have been called in to investigate the leaking of cabinet documents. On page 8027 of *Hansard* for last session the Solicitor General explained at some length the function of the security planning and research group which was set up by his department precisely to do the things I have suggested. Just because I used a different name to refer to the force does not justify the Prime Minister pleading ignorance. I should like to ask him again whether this matter of the leaking of confidential documents—

Mr. Speaker: Order, please.

Mr. Nielsen: —has been referred to this group for investigation.

Mr. Speaker: Order, please. I suggest to the hon. member that this is hardly a question of privilege, but I see no objection to his rephrasing the question or asking a

supplementary to try to clear up this matter, and then we will go on to another matter.

Mr. Nielsen: The question has been asked, Mr. Speaker. Now that the Prime Minister's memory has been jogged, perhaps he might answer.

Mr. Trudeau: It really was not a matter of the designation of the group. The hon. member, when he asked the question, referred to something that happened two years ago, and I thought he was referring to the time when we established an assistant commissioner of the RCMP. At that time we were implementing the report of the Royal Commission on Security. That is why the hon. member's question was not clear to me.

On the subject that the hon. member has now clarified, if he refers to the statement he will see that the group in the Solicitor General's department is not an operational group and is not meant to make any kind of investigation of its own. It is meant to analyse and assess results of operations carried out by the RCMP, otherwise known as the police.

Mr. Nielsen: On a supplementary question, Mr. Speaker—

Mr. Speaker: Order, please. Perhaps the hon. member might ask a last supplementary, but I point out that there are only three minutes left before the end of the question period and we will have to give other hon. members a chance to ask questions.

Mr. Nielsen: I will not enter into debate with the Prime Minister. It would not be proper for me to do so at this time, but what he has just said does not square with what the Solicitor General said. Since the Prime Minister has repeatedly promised the House a one-day debate on the report of the Royal Commission on Security will he not now consider setting aside a day in the near future so we can get these new security services sorted out and debate that report?

Mr. Trudeau: Mr. Speaker, there is provision in the rules for opposition days at regular intervals.

Mr. Nielsen: You promised a day.

Mr. Trudeau: And if they think the subject is very important they can bring it up on one of those days. Otherwise we will bring it up in due course.

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TRADE

DISPLAY OF CANADIAN AGRICULTURAL PRODUCTS AT PEKING FAIR

Mr. Bill Knight (Assiniboia): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce. Last fall I asked the minister whether any provision had been made for a display of agricultural products at the China fair which his department claims is all-important in 1972. Since I had no answer last time I wonder whether such provision has been made?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I understand that up to now 250 different Canadian groups want to take part in the Peking fair, which is what my hon. friend is referring to. The selection is being done now on the basis, among other factors, of information we received last December from the Chinese themselves as to what their import intentions are for 1972. In due course I will advise the House as to which companies or which groups of companies have been selected for participation.

Mr. Knight: Can the minister state whether or not the Canadian Wheat Board or any selling agency for agricultural products has put in an application to display their products?

Mr. Pepin: I do not know, but obviously, judging by recent sales, the Canadian Wheat Board has a direct line of communication with the purchasing agency in China—

Mr. Speaker: Order, please.

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TRANSPORT

LACHINE CANAL—USE FOR PLEASURE CRAFT—OMISSION FROM TAKEOVER BY DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Mr. Raymond Rock (Lachine): Mr. Speaker, my question is for the Minister of Transport. Has the Lahaye report which recommends that the Lachine canal be used for pleasure craft been submitted for cabinet approval?

Hon. Donald C. Jamieson (Minister of Transport): No, Mr. Speaker.

[*Later:*]

Mr. Rock: My supplementary question is for the Minister of Transport. Why was the Lachine canal not included in the takeover of historic canals and given national park status?

Mr. Speaker: Order, please. I indicated yesterday to the House that I thought that kind of question normally should be placed on the order paper. It is basically argument. If there is urgency about the matter, it can be discussed at the time of adjournment.

Mr. Rock: I rise on a question of privilege, Mr. Speaker.

Some hon. Members: Oh, oh!

An hon. Member: Sit down.

Mr. Rock: Are you aware, Mr. Speaker, that your own constituency also has a historic canal which I believe should be included?

Mr. Speaker: Order, please.

Inquiries of the Ministry

INCOME TAX ACT

INQUIRY AS TO AMENDMENT RESPECTING EMPLOYEES' PROFIT PLANS

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question is for the Minister of State, the hon. member for Calgary South, likely to be in charge of the promised amendments to the Income Tax Act, or the son of Bill C-259. Can the hon. gentleman indicate whether we might get on with such things as the law relating to employees profit plans as promised by the former Minister of Finance? I believe this may be the maiden test in the question period for the new Minister of State.

Hon. P. M. Mahoney (Minister of State): Changes in the law, if any, such as are contemplated in the hon. member's question, would ordinarily follow a budget speech by the Minister of Finance.

* * *

• (1150)

CANADIAN NATIONAL RAILWAYS

RETIRED EMPLOYEES' PENSIONS—REQUEST FOR ANNUAL ESCALATION AND CHANGE IN BASIS OF CALCULATION—REPRESENTATIONS BY MINISTER

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wish to direct a question to the Minister of Transport. In view of mounting concern with respect to Canadian National pensions, including both the need for the pensions of those already retired to be escalated annually and the need to calculate Canadian National pensions on the basis of a factor of 2 per cent per year of service, will the minister make renewed representations to the Canadian National concerning these two matters?

Hon. Donald C. Jamieson (Minister of Transport): Yes, Mr. Speaker, I will be glad to do that.

Mr. Knowles (Winnipeg North Centre): I wish to ask a supplementary question. When the minister answers will he also tell us how he is getting on with the Canadian Pacific Railway in regard to pensions? Ten o'clock.

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FEDERAL-PROVINCIAL RELATIONS

PRIOR APPROVAL BY PROVINCES OF FEDERAL POLICIES—SMALL FARMS LEGISLATION

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I wish to direct a question to the right hon. Prime Minister. May I ask him whether, in the interests of federal-provincial relations, it is still government policy to get approval from the provinces of policies in which they have a direct interest, prior to proceeding with them?

Right Hon. P. E. Trudeau (Prime Minister): To get approval from the provinces when?

Mr. Korchinski: Prior to proceeding with these policies.

[Mr. Speaker.]

Mr. Trudeau: What policies is the hon. member talking about?

Mr. Korchinski: May I ask the Prime Minister whether it is his intention to proceed with the legislation on small farms in light of the opposition from all the provinces, including Quebec?

Mr. Trudeau: Mr. Speaker, the Minister of Agriculture tells me that there is no opposition, that the provinces agree with the program.

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TRADE

POSSIBLE SALE OR RENTAL OF MINI-TYPE SUBMARINE TO SOVIET UNION—SECURITY CLEARANCE

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is directed to the Minister of National Defence. It arises out of continuing efforts by the Department of Industry, Trade and Commerce to reopen negotiations between a west coast firm and the Soviet Union for the sale or rental of the Pisces. Since we were asked to refuse an export sales permit for this deep-water submersible, can the Minister of National Defence indicate whether it now has security clearance not only from Canada but from the United States as well?

Hon. E. J. Benson (Minister of National Defence): The matter is still under discussion.

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NATIONAL PARKS

GATINEAU—ACTIVITIES TO BE PERMITTED

Mr. Lloyd Francis (Ottawa West): Mr. Speaker, I wish to direct a question to the Minister of State for Urban Affairs. In view of recent representations he has received regarding Gatineau Park, can he tell us what activities will be permitted in the park, and does he intend to make a statement on the matter?

Mr. Speaker: Perhaps the question should be limited to whether the minister is going to make a statement on motions. I do not think the detailed information sought by the hon. member should be given during the course of the question period.

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, the plan is for the National Capital Commission, later in the year, to issue a set of general principles relating to park policy. The Chairman is anxious, and I for the government am insistent, that those principles should be commented upon by all people with knowledge or who are interested in that policy, out of which will come the long-term policy for Gatineau Park.

HOUSE OF COMMONS

INQUIRY AS TO LEGISLATION ON OFFICE OF SPEAKER

Mr. Speaker: For the brief moment we have left the Chair will recognize the hon. member for Prince Edward-Hastings on the last question.

Hon. George Hees (Prince Edward-Hastings): I wish to thank you, Mr. Speaker. The exercise has been good anyway. I have a question for the Prime Minister. Is it the intention of the government to introduce legislation at this session to provide for the election of the Speaker of the House of Commons?

Some hon. Members: Oh, oh!

Mr. Speaker: Orders of the day.

Mr. Hees: Mr. Speaker, on a point of order, this is a very important question and one that is bothering the country at the present time. Might we have an answer from the Prime Minister?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have discussed this subject in correspondence, notably with the Leader of the Opposition, and the position of the government is the same as that in that Mother of Parliaments in the United Kingdom. We hope that the opposition parties will be enlightened enough to follow the course which is followed in other countries, but this does not seem to be the case.

Mr. Stanfield: On a point of order, Mr. Speaker—

Mr. Hogarth: Don't swear at him, Bob.

Mr. Stanfield: There is no need for me to swear at him. There are enough people in the country swearing at him already.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Stanfield: Mr. Speaker, it is perfectly true that the Prime Minister and I have had correspondence on this subject, and he has expressed regret that I have not been very enlightened. I must express the gravest and deepest regret that he has not been enlightened enough to do something about regulating in a satisfactory way the position of the chief officer of this House.

Mr. Trudeau: Is that a question or a point of order?

Mr. Speaker: Order, please. I do not wish to interrupt the Leader of the Opposition, but perhaps this might be a good time to call orders of the day. Orders of the day.

* * *

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed, from Monday, February 28, consideration of the motion of Mr. Ross Whicher for an Address to His Excellency the Governor General in reply to his speech at the opening of the session.

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, first of all, I take pleasure in joining with previous speakers in congratulating the mover and seconder of the Address in Reply.

I feel that the two members whom I have just mentioned—the hon. member for Trois-Rivières (Mr. Lajoie) and the hon. member for Bruce (Mr. Whicher)—somewhat represent or symbolize what the House of Commons is—made up of newcomers as well as old hands who know all the tricks, all the strings which need to be pulled. As a matter of fact, it was interesting to compare the two speeches, which were very different indeed but which at the same time reflected very well the changes which can occur in individuals as they acquire greater experience of this House.

I would like particularly to point out to the hon. member for Trois-Rivières that of course we cannot keep for many years the kind of naïveté which characterizes all of us when we first join this House. Once we become more familiar with the unknown people in this noble institution, once we get to know men better, we become of course both enthusiastic about some things and extremely disappointed with some others.

In this majestic chamber, Mr. Speaker, there is first the institution—the House of Commons itself—which cannot but impress people as an institution, polished as it has been through centuries, and which allows the people, through their representatives, not only to make their grievances known but also to influence the government and the country's general administration. There may be a few things in this area which need to be corrected, but I think that on the whole all Canadians, and particularly members of this House, are proud of this institution which was given to us by the confederation agreement and which we inherited from Great Britain.

Within this institution there are parties and their value as well as that of the men who belong to them vary with time. As for the parties, many things have been said about them both by opposition and government members; they were global and radical statements and the government has been judged once and for all.

I would also like to judge briefly the opposition since it is an integral part of this noble institution known as the House of Commons which can influence the country's administration for better or for worse.

Speaking about the opposition, Mr. Speaker, it reveals a kind of odorless, colourless and congenital impotence. About another party, we might say that it shows shameless arrogance and demagogy and, about still another, that it is an old record always playing the same tune.

In my opinion, the quality of opposition should be enormously improved and we will certainly have this opportunity and no longer hear—

[*English*]

Mr. Hees: You will get a chance very soon.

An hon. Member: They had a chance.

[*Translation*]

Mr. Marchand (Langelier): In my opinion, the hon. member for Prince Edward-Hastings (Mr. Hees)—

[*English*]

Mr. Dinsdale: It will be good for you to be in the opposition.

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, it is quite disappointing for a newly elected member of the House to hear such statements as those made by the member for Prince Edward-Hastings in connection with price controls. Listen to me one moment because this kind of gem is rare.

With regard to price controls, the hon. member stated and I quote:

• (1200)

[*English*]

The second way we can keep prices down is to take steps to keep prices from rising at the very rapid rate at which they are rising at the present time.

[*Translation*]

There is the whole philosophy of the opposition the co-operation we get from them.

Mr. Speaker, I do not intend to stay on that level where, unfortunately, the opposition stands most of the time. Notwithstanding the overall judgment I may have passed on the opposition the fact remains that a large number of the members across the way are worthy men, their hearts are in the right place, they represent their electors honestly and they came here to improve the situation in Canada. It is not because they belong to another party that I underestimate them. Some people are extremely critical of the government and I sometimes find that they are right. Among the most critical is the hon. member for Cape Breton-East Richmond (Mr. MacInnis) who, when he refers to DEVCO and the issue of industrial development—although, of course, I am not here to make admissions—is basically right and I think that there are some things that must be changed.

What is extremely annoying and frustrating from the opposition is never to have constructive proposals in front of you but to be continuously under the impression that you are on the eve of a general election. The opposition tries by all means to gain the electoral advantages that can be gained in the House of Commons.

At any rate, I shall deal with a more important issue, Mr. Speaker, namely regional development, which was the subject of much criticism here in the House and also outside. This subject is too important for me to season it with jokes or try to minimize its importance by my tone.

Barely three years ago, we tried to launch a concerted attack against regional disparities. We attacked on three levels at the same time. First, we initiated the industrial incentives program. Then, we developed the infrastructure assistance program and improved this instrument which is also used in the agricultural field, namely ARDA. Lastly, we enacted provisions for the social adjustment of workers.

We resorted to these three instruments and tried to trigger a beginning of correction of regional disparities, which has not been successfully undertaken since the inception of confederation in Canada.

Thus, in that first part of the program, that is the grants, my department has accepted since 1969-70, 1,200 applications for grants which brought or will bring about 50,000 new jobs, despite the allegations of some opposition members who should make better use of their research staff. If we take into account the multiplying effect, that will give us 125,000 or 150,000 additional jobs.

Of course it is always possible to retort: there are plants that will go bankrupt, other will not meet their objectives. That is possible, but on the other hand there are other plants which at present expect to employ say from 100 to 150 men, but which will in fact hire 300 or 400 men because their forecasts were to pessimistic.

By the way, those who are interested in research will be able to study what happened under the former industrial incentives legislation and they will find out that in spite of the odd failure the number of new jobs square exactly with the employment announcements that had been made when the inquiries began.

Besides, some cases have already arisen where the number of available jobs has been underestimated and where employment opportunities are actually far more numerous.

Now with regard to infrastructures, Mr. Speaker, we are aware that some regions will never benefit from industrial development if they cannot offer modern enterprise some basic infrastructures. We have therefore entered into agreements with the provinces and this program is now fully operative. It is so effective that we are receiving hundreds of applications from municipalities as well as from various regions and communities in Canada and it has become necessary to create "special" regions in order to perfect these infrastructures.

Here is then a means which, after a couple of years trial has really produced astonishing results.

Then comes the problem of rural planning, farm productivity and development of natural resources. Indeed, Mr. Speaker, we are all aware that thousands of our fellow citizens will continue to make a living out of natural resources and it is our duty, as far as is practicable, to go all out and help them. That part of the program is also very active.

We now have a social adjustment program. Doubtless, Mr. Speaker, when we speed up the urban phenomenon, when we multiply or improve industrial techniques to enable some industries to survive, men are affected. Indeed, they must be transplanted, moved, and all this is part of an a slow and extremely tricky process.

Mr. Speaker, I remember very well indeed having experienced it one day in Prince Edward Island. We were attempting to convince a farmer to leave his farm to allow regrouping of several of them so that those who would replace him could live decently and use modern equipment. He answered and I quote:

[*English*]

"I was born here, my father was born here and my grandfather was born here. Whatever the government does I am going to stay here".

[*Translation*]

That is the type of human problems—

[*English*]

Whoever does not care about that does not understand anything. That is why some of the things we do cannot be

done overnight. We have to take time, we have to convince people. That is why sometimes, when there are complaints from the other side of the House, I do not think they are serious, because the people over there have never had to deal with such problems. That is why they make such statements.

• (1210)

[*Translation*]

Mr. Speaker, there has been much censure of the department, in a general way, broad statements, but nothing concrete. I have sought everywhere for some useful information, some meaningful suggestion the opposition might have given us in order to speed up industrial development in Canada. I have tried to understand the New Democratic philosophy in the field of regional development. Well, even young members one might consider to be quite open, such as the hon. member for Yorkton-Melville (Mr. Nystrom), have, if I remember well—

[*English*]

"You know, policies of regional development have been a complete failure."

[*Translation*]

That is the subtly distinctive judgment bearing on a whole program, on the efforts of thousands of men, not merely on the federal or even provincial government levels, but on the levels of municipalities and private agencies seeking concrete solutions.

"It has been a complete failure!"

That is all they are able to say after two and a half years of concrete, highly efficient achievements which I shall enumerate later on if you permit it.

Mr. Speaker, we have been told that there was lack of planning. Our denigrators did not say how they would have made their plans. They allege lack of planning, lack of leadership—

[*English*]

Mr. Broadbent: Mr. Speaker, would the minister permit a question?

Mr. Marchand (Langelier): Mr. Speaker, I only have half an hour. Recently, I have spoken three times in this House and I do want to use this opportunity. After that, if the hon. member wants to ask a question I will accept it with pleasure.

[*Translation*]

Furthermore, another global statement was made which, in my opinion, is unfair. They say that there has been a lack of consultation. If there is, within this government, one department that goes in for consultation, it is ours. In fact, it is so systematic that one can even wonder whether, sometimes, there is not too much of it, because we do consult in all areas. All agreements under the ARDA program, for instance, are reached with the provinces. It is the provinces that take the initiative. We discuss all points with them, and finally agreements are reached.

The same applies to the FRED program; we discuss things with the provinces, municipalities and private organizations. We are constantly doing that in the special areas. The latter are established with the help of the provinces; priorities are set the same way; municipalities are involved and, finally, we try to consult as many people as possible, but in this House, it is said that the government, the department—

[*English*]

"You never consult with people. Bureaucrats from Ottawa say what should be done in the north or in Nova Scotia." That is not true, Mr. Speaker. We consult all the time and enjoy it.

Some hon. Members: Oh, oh!

[*Translation*]

Mr. Marchand (Langelier): Another accusation was brought against us and even published in the *Globe and Mail*, namely that our figures on employment forecasts are overestimated and that, in fact, we should reduce them by 25 per cent because we took into account applications for grants which were withdrawn or undertakings which had not attained their goal. This is false because figures tabled in the House did take into account applications withdrawn and undertakings failing to reach their goal.

We pay for a research office for the opposition, Mr. Speaker. Of course everybody cannot be a statistician. I am not even one myself. But, at least, why not elect members who can read two rows of figures and say: What do they mean, instead of writing to the *Globe and Mail* that we are deceiving the public with false figures. Why such scheming?

It is also said: Well, that is a department from which no information can be had. We table a monthly report. I can table all the agreements into which we enter with the provinces under the ARDA and FRED programs and under the special areas program as well. If anybody wants to see them, I am prepared to supply them with copies. They are public records.

As to the area of subsidies, the paper is tabled in the House and anybody can raise the questions he wishes, except if they are related to records which are the exclusive property of the companies which file applications, namely private documents.

Except for that, everything is published, but just the same allegations are made. Here is however something both funny and serious: those who ordinarily make those accusations, those who make that kind of criticism are those who would benefit most should the regional development program be expanded.

[*English*]

Mr. MacDonald (Egmont): What about APEC?

Mr. Marchand (Langelier): I was going to say, whatever the hon. member thinks about APEC, many other people think otherwise, even Mr. Jones from Moncton, even Mr. Price. Why does the hon. member not ask his colleague from Saint John-Lancaster what he thinks about it? Just ask him.

[*Translation*]

Criticism does not shock me, Mr. Speaker, if it is meaningful and substantial, in short if it was not merely a matter of playing politics, we would readily accept it. We realize that we are experimenting, that we can make mistakes, but considering how criticism is voiced in the

House and elsewhere, the regional development programs will be killed at the expense of the people from the Maritime provinces, Manitoba and eastern Quebec.

Mr. Speaker, I do not object to constructive criticism and would undoubtedly welcome it. If I do not agree, I will say so, but let us see if there is anything in such criticism other than generalizations which only show the ignorance of those who make it, except perhaps the member for Cape Breton-East Richmond. I do accept it, but not because I know I please everyone by saying so.

[*English*]

Mr. MacDonald (Egmont): What has been the position of the maritime premiers in all this?

Mr. Marchand (Langelier): Mr. Speaker, I realize, of course, that there will always be those who criticize without just cause. As I have said, I think those people are doing a great disservice to the idea of regional development. But I do not believe the people of this country are being deceived. In three short years we have succeeded in putting in place the most comprehensive set of regional development programs in Canadian history.

Some hon. Members: Oh, oh!

Mr. Broadbent: Nothing plus one is still one.

Mr. Marchand (Langelier): In the same period, our budget has risen from approximately $242 million in 1969-70 to an estimated $505 million in the fiscal year which is soon to begin. I think it can be fairly said that we have quickly generated a good deal of momentum.

Mr. Broadbent: And how many jobs?

Mr. Marchand (Langelier): There are many, I know, who would agree—

Some hon. Members: Oh, oh!

Mr. Marchand (Langelier): —and I am happy to say that more than a few have said so publicly.

Some hon. Members: Oh, oh!

Mr. Peters: They certainly do not agree in the southern part of Timiskaming.

Mr. Marchand (Langelier): But in the final analysis the opinions of average Canadians are what really count. I think it can be said that the awareness of and enthusiasm for our program is growing—

Some hon. Members: Oh, oh!

Mr. Marchand (Langelier): —certainly among those who have seen tangible results in their own communities and areas.

Some hon. Members: Oh, oh!

[*Translation*]

Mr. Speaker: Order. I apologize to the hon. minister for having to interrupt him.

[*English*]

I suggest to hon. members that they allow the minister to make his statement. It seems to me that we have enjoyed a good debate until now. Hon. members have been listened to by other hon. members, and I think the minister should be allowed the same privilege.

Mr. Peters: It is just that he gets so excited, Mr. Speaker.

[*Translation*]

Mr. Marchand (Langelier): Thank you, Mr. Speaker.

Since I have been in the House, some seven years, I believe I have never yelled at any speaker whatsoever, notwithstanding the inanities and stupidities which might have been said.

I shall now go on with my remarks, Mr. Speaker, as I have only eight minutes left.

• (1220)

[*English*]

Ask the people in the Winnipeg Beach area, Mr. Speaker where, as part of the ten-year FRED program, we have made available an excellent recreational resource which in the summer of 1970 drew over 100,000 visitors. They will tell you that, apart from the direct employment impact on the Interlake area, business sales have increased by as much as 30 per cent and that a number of stores are now being modernized or renovated.

[*Translation*]

Ask the people of Matane, Sainte-Anne-des-Monts, Gaspé or Chandler what they think of our financial participation in the building of 400 low rental dwellings for the poorly housed of the Gaspé area. They will tell you that our program is certainly useful.

[*English*]

Ask the people in Prince Edward Island where we have undertaken a federal-provincial development plan that is unique in its comprehensive character. They will tell you that the resulting improvements in the agricultural and fishing industries, the better network of roads, the systematic development of the tourist industry and the increasing attention to the general quality of island life are benefiting the people.

Ask any of the 3,500 families affected since 1968 by the ARDA program in Ontario. Among other things, some 300,000 acres of land have been purchased. About two-thirds of that land has been leased or sold to some 1,500 farmers who, for the most part, have since been able to earn better incomes because they were able to enlarge their farms.

Some hon. Members: Hear, hear!

Mr. Marchand (Langelier): Most of the remaining acreage, unsuitable for agriculture, has become Crown land and is being converted to more suitable use in such fields as forestry, recreation and wildlife conservation.

Ask the people in the Hermes Electronics plant in Dartmouth, Nova Scotia, if our incentives program is wasteful and ineffective. They will tell you that our intervention prevented the closing of the plant and, in addition to salvaging 300 existing jobs, created an additional 70 in the revitalized operation. These jobs, many of which are scientific and professional, might well have been lost to the Dartmouth area. In addition to providing a valuable Canadian source of electronic components, the project

represents a major addition to exports which will be of great benefit to the whole community.

Ask the people in the town of Slave Lake, Alberta, Mr. Speaker, if our incentives program is of no consequence. They will tell you that it has resulted in the construction of a large modern sawmill in the Mitsue Lake Industrial Park which already employs 70 people, many of native ancestry. And they will tell you that a further 100 people are working in wood-cutting operations in support of the mill.

Ask the people of the Burin Peninsula in Newfoundland about the steps being taken to meet the needs of their young people for educational facilities. They will tell you about the four schools now well under way at an anticipated total cost of more than $4,500,000. They will point out that, in the case of one of these schools, the Burin Vocational School, my department authorized the expenditure of substantial funds to design, construct and equip a students' residence and an auditorium.

Ask the people in Saint John, New Brunswick, Mr. Speaker, where much important infrastructure has been put in place to serve the needs of industry and a growing urban population.

Some hon. Members: Oh, oh!

Mr. Marchand (Langelier): This is how they behave. Here is a serious program and all they do is laugh and make generalities.

Some hon. Members: Hear, Hear!

Mr. Marchand (Langelier): That is all they do when I am speaking.

Some hon. Members: Oh, oh!

Mr. Marchand (Langelier): They will tell you that the 18 industries which have been induced to locate in the area and are expected to generate some 1,200 jobs are meaningful to them and their families.

[*Translation*]

Mr. Speaker, ask the people of Montmagny where 450 jobs were lost because of the closing of Chemcell Limited. They will perhaps tell you that the Department of Regional Economic Expansion means something to them.

[*English*]

Ask the people in Bridgewater and Granton, Nova Scotia, about Michelin's two new manufacturing facilities both now in production.

Some hon. Members: Hear, hear!

Mr. Marchand (Langelier): Ask them. Why don't you talk to those people? Ask the people in the Okanagan Valley. They will tell you that we have helped to rehabilitate the existing irrigation systems.

Ask the people in Grand Falls and Florenceville, New Brunswick, where our incentives program helped make it possible for McCain Foods Limited to establish major food-processing facilities. Ask the people in the nearby Mactaquac area what has been accomplished under our FRED plan.

[*Translation*]

Talk to the people of Quebec City. They will tell you what we have done at Place Royale and St. Charles River for the development of tourism in Quebec City. Go and ask them what the Department of Regional Economic Expansion means to them.

An hon. Member: That's the best you can do.

Mr. Marchand (Langelier): Mr. Speaker, I could go on but I know I am running out of time. Nevertheless there are some who are embarrassed because they know they could not repeat to their voters what they say in this House under the protection of the Speaker and the Sergeant-at-Arms. So, Mr. Speaker—

[*English*]

Mr. MacDonald (Egmont): Come to Prince Edward Island and say that.

An hon. Member: You are cheap, MacDonald, and you know it.

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, I know that in a few minutes my time will be up. I conclude my remarks by mentioning a very important program—

[*English*]

An hon. Member: What have you got for Cornwall?

Mr. Marchand (Langelier): This is small politics, Mr. Speaker.

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, I think that opposition members, and in particular those of the New Democratic Party and the Progressive Conservative party showed today what they think of the Department of Regional Economic Expansion and the seriousness with which they fulfill their responsibility as members of Parliament. This is why they will be judged very harshly. They have tried to exploit everything for political purposes and to destroy all the values which are of so much concern for this country, especially for its future. I infinitely regret, Mr. Speaker, that the areas that are represented—

Mr. Speaker: Order. I regret to interrupt the hon. minister.

[*English*]

Mr. MacDonald (Egmont): I rise on a question of privilege, Mr. Speaker.

[*Translation*]

Mr. Speaker: Before I allow the hon. minister to continue—

[*English*]

The hon. member for Egmont (Mr. MacDonald) is rising on a question of privilege.

Mr. MacDonald (Egmont): On a question of privilege, Mr. Speaker. I know it is the right of each and every member in this House to say whatever he thinks he must say in his own defence or in defence of any particular

program. However, when a speech reaches the low degree which the minister's speech has reached—

Some hon. Members: Oh, oh!

Mr. MacDonald (Egmont): The minister is imputing motives while hon. members sit and listen in the vain hope—

Some hon. Members: Oh, oh!

Mr. MacDonald (Egmont): —that he will give answers to many of the important questions with regard to regional disparity in this country instead of resorting to this cheap political—

Mr. Speaker: Order, please. That is obviously not a question of privilege.

[*Translation*]

Mr. Marchand (Langelier): I am only getting back the minute that was taken from me by the hon. member for Egmont.

I merely want to submit an idea for consideration by the House: even if we had a 50 per cent rate of unemployment, that would not necessarily mean that our programs are not effective. Instead of hiding behind general figures, the opposition should consider the real effects of the programs that we are putting into force, and not limit itself to vague references to unemployment. Should the opposition follow our advice, and not change its views in spite of that, then, we can be sure that it is too fanatical to do so.

[*English*]

Mr. Speaker: Order, please. I regret I have to interrupt the hon. minister as his time has expired.

[*Translation*]

The hon. minister's time has expired.

Some hon. Members: Continue.

Mr. Marchand (Langelier): Mr. Speaker, I have heard enough yelling, now I would like to hear some debating.

[*English*]

Mr. MacDonald (Egmont): I rise on a point or order.

Mr. Speaker: Order, please.

• (1230)

Mr. MacDonald (Egmont): I am sure hon. members on this side would be quite willing to extend the time available to the minister, particularly since so many important questions have not yet been answered.

Mr. Speaker: The minister has indicated that he has finished his remarks, and his time has expired.

Mr. Broadbent: I rise on the point of order on the question of extending the minister's time. The minister did indicate earlier in his speech, when I rose to ask whether he would answer a question, that he would be prepared to do so at the end of his comments. In view of this undertaking, I wonder whether the hon. gentleman would consider answering the question now.

[Mr. MacDonald (Egmont).]

Mr. Speaker: The minister has indicated that he has concluded his remarks. Of course, with unanimous consent the minister could be granted additional time if he wishes to reply to questions. But the hon. member will appreciate that he cannot ask a question now unless the minister is prepared to reply.

Mr. Marchand (Langelier): Just one, then.

Mr. Speaker: The hon. member for St. Boniface rises on a question of privilege.

Mr. Guay (St. Boniface): My question of privilege relates to the hon. member for Egmont who wanted to hear more from the minister. May I suggest that if the members of the loyal opposition had kept quiet and listened to him they would have heard the answers to some of their questions.

Mr. Speaker: Order, please. Hon. members will appreciate that we are going nowhere fast. We are losing what I suggest is precious time. The Chair has been informed that a number of hon. members are anxious to take part in this debate between now and the end of the day. If we go on dealing with what I suggest are not legitimate points of order or questions of privilege we could spend a great deal of time without accomplishing very much. Perhaps we might allow a question from the hon. member for Oshawa-Whitby.

Mr. Broadbent: The minister said he was prepared to consider serious questions and regretted that none had been raised in the course of this debate. Earlier in the debate I made two specific criticisms of his department, and whether or not he agrees with what I said I should like to hear the answers to those criticisms. The first was that his program was founded on the assumption that there would be an economy committed to full growth, especially in the heartland of industrial Ontario; it was based on the assumption that the economy would be founded on full production. The second criticism was directed to specific inadequacies. I listed in my speech of last Tuesday some eight grants which had been made to companies to enable them to move from one part of Canada to another with a consequent shifting of unemployment from one area to another. I ask the minister whether he thinks this is a sensible kind of policy and whether his department intends to continue doing this kind of thing.

Mr. Marchand (Langelier): I do not know from what source the hon. member heard that the department was founded on the assumption that the economy should be running at full speed. I think my program would work much better if the economy were operating on that basis—there is no doubt of that—but it was not founded on the assumption the hon. member mentioned. I do not know where he got that from.

Mr. Broadbent: The Economic Council of Canada.

Mr. Marchand (Langelier): Well, the Economic Council of Canada is not the Department of Regional Economic Expansion.

As to the second point, I agree entirely with the hon. member. If a plant is moved from one part of Canada to

another, meaning that some Canadians lose jobs while others get jobs, it is all wrong. But I think the hon. member should not make general affirmations of that kind. Let me know the companies, their names, and I will give the answer. It might be we have made a certain number of mistakes in this respect. It is possible. But do not make these statements in general terms. Just come to my office and I will give the answer.

Mr. Speaker: Order. The Chair is prepared to recognize the hon. member for Simcoe North. Perhaps he might be given an opportunity to make his speech. I see the hon. member for Gander-Twillingate, the hon. member for Regina East and the hon. member for Annapolis Valley all wish to ask questions of the minister. If this is what hon. members wish, perhaps we might set aside the debate on the address. But I think that in fairness to the hon. member for Simcoe North he should be recognized now.

Mr. P. B. Rynard (Simcoe North): Thank you, Mr. Speaker. I should like to add my congratulations to those which my colleagues have extended to the mover, the hon. member for Bruce (Mr. Whicher) and the seconder, the hon. member for Trois-Rivières (Mr. Lajoie) of the address and also to congratulate the Minister of Regional Economic Expansion (Mr. Marchand). I have not seen such a show since the last medicine show I saw when Professor Mulvany was cutting a tapeworm.

Looking over the Speech from the Throne, one is struck by the number of items, some 29 of them, all dressed up with platitudes and folksy words. In the ordinary course of events, were this agenda to be carried out it would take nine or ten months. I note that one of the steps proposed is a program to do more in the way of humane treatment of offenders, with further reforms in the penal system. I want to congratulate the government on this; they did not take very long before putting their preaching into practice. Surely the government will be hard put to it to do any more than has been done for Yves Geoffroy if the stories we hear are correct.

This man was released from prison in order to marry a lady who was a Crown witness when he was tried for murdering his wife. He managed to obtain a false passport and make arrangements to dispose of his property and assets before leaving the country. Is this what is meant by more humane treatment of offenders—if you don't get along with your wife, murder her, it will soon be forgotten? The ad lib women should have a look at this. How do women in general feel about this type of crime? To most men it must surely be repulsive. I am wondering whether this is the thin end of the wedge to distinguish between a domestic crime and other criminal acts.

An hon. Member: Goyer says Geoffroy is not violent.

Mr. Rynard: That is what I am coming to. Is taking a life different in a domestic case than it is in any other case?

I do not intend to deal with the Speech from the Throne for too long except to say that if it produces no better results than the preceding three Speeches from the Throne, after which we witnessed mounting unemployment, rising inflation, more people living in poverty and the development of the worst-managed economy in the western world, the Canadian people will have had just about enough.

When one talks about unemployment one is talking about a tremendous economic factor. When you have 7.7 per cent of the people out of work it is not only that they are out of work but that someone else is keeping them and someone else is paying the shot. It is a tax on the economy and they lose their moral strength and their dignity. The psychological effect on the unemployed and their families may be devastating indeed. This is only a small part of the economic picture when you consider we are losing approximately $3.5 billion in production per year. I do not believe that Canada or any other country can really stand such a situation.

Businessmen have been afraid to invest. Many businesses have been sold. They are distrustful of the government, of the changes in the labour laws, the Unemployment Insurance Act, the proposed competition legislation and of the arrogant use of power in Ottawa. We have witnessed the flight of a great deal of capital from Canada over the last few years and the next year is likely to see a further cut in business.

• (1240)

Last night the Minister of National Health and Welfare (Mr. Munro) spoke about social justice. The present government has frozen old age pensions at $80 a month. Let hon. members not forget that the $80 of last year purchases just over $75 worth of goods this year. This situation applies to every pensioner, even those who pass the means test and receive the guaranteed income supplement. The only increase they receive is 2 per cent. That is the social justice that this government talks about!

In one year alone inflation increased nearly 5 per cent, yet we are shortchanging all pensioners in Canada on fixed incomes. Year by year they become poorer. The government talks about economic security, but what about drug care? I think it is worth repeating that the old age pensioner has paid for his pension. It is not a case of their receiving charity; they have been taxed for their pensions and deductions made from their pay cheques. A pensioner who happens to fall just short of qualifying under the means test is finding that his $80 is being rapidly eroded. If inflation continues at the present rate, which is almost 5 per cent a year, it will mean, Mr. Speaker, that by the year 2000 we will require a salary four times what we have today in order to retain the same purchasing power.

Whether or not inflation and unemployment can be solved by this government remains a mystery. The government has shown no capability for coping with the situation even though it has been in power for four years. In the first place the government has taken more and more tax dollars and has spent more and more. The operations of the office of the Prime Minister alone indicate this; his office has increased its expenditures almost ten times.

I was struck by what Mr. Bennett, the Premier of British Columbia, the so-called bigot of British Columbia, had to say in this regard. He pointed out that the federal government and other provinces had spent extravagantly on the furnishing of government offices and increased their hirings of staff much more so than in British Columbia.

The estimates for 1972-73 are up by 10 per cent. This probably means that when the supplementary estimates have been added the increase will be 12 per cent or more before the year is out. It is recognized that government is growing larger and larger. This is true of governments in general, but is probably more the case with the federal government than with any other government. The federal government should at least set an example. Instead it has become larger, more bureaucratic and more inefficient, with little or no knowledge of the people in the hustings who have to work and pay all the bills. It is quite apparent that if the government does not change its direction we are in for very serious trouble.

Today there are more young educated people than we have ever had in this country. But we also have more young educated people without jobs than we have ever had, which represents a tremendous waste of manpower and brains.

Sometimes I wonder just what advice the government receives. The Minister of National Health and Welfare spoke in the House the other day about how deeply concerned he was over the non-medical use of drugs and their effect on society. Then he went on to say that the government was taking action to restrict the use of two types of drugs, the abuse of which had been a public health problem in this country. I refer to methadone and amphetamines. If a little research had been done or a few questions asked of the medical profession, the minister would have discovered that during the last five years doctors have cut use of amphetamines in half, that during the last half of 1971 use had been cut by more than half. Use of this product has been diminishing very fast. In other words, the medical profession has been policing itself. But no, the government had to interfere.

The point I am making is that the minister is only touching the tip of the iceberg, not the part that lies below the surface. The minister should be tackling the problem of drug peddling and other forms of abuse. This is an area he has not touched at all; instead he had to enter the medical field. In spite of the very satisfactory decline in the use of the drug, the government must use the big stick.

In my opinion the minister has taken a very disturbing step. From now on the ordinary practising physician will be unable to prescribe this drug even though, as a result of his training and experience, he feels in all conscience it should be prescribed. He will now have to consult another physician, which in remote places itself creates a problem because doctors are in short supply. How will physicians in such areas be able to get in touch with other consultants? Not only this, but the minister's action, in my opinion, casts a shadow on the competency of the general practitioner who is the backbone of the medical profession.

When I listened to the minister last night expressing his concern I almost shed crocodile tears. Having heard him speaking about drug abuse the other day, I think the people of Canada would be amazed if they looked at the 1972-73 estimates, which were tabled in the House last Wednesday, and found that the government was going to spend $358,000 less on its drug abuse campaign than it spent last year. On the other hand, it has doubled its anti-smoking program to $386,000 but has done very little about it. So when the minister speaks in those terms it makes me question his sincerity. Perhaps he was speaking out of both sides of his mouth.

In his announcement the other day I noticed he referred to the Le Dain commission but he did not mention use of alcohol which the Le Dain commission said was the worst drug of all. It was pointed out by the Le Dain commission that there are over 500,000 alcoholics in the dominion of Canada. I see the Minister of Justice in the House. No, I am sorry, he is not Minister of Justice any more; he has been moved up, and I congratulate the minister on his new appointment because he is a great guy.

As I was saying, there are 500,000 alcoholics in Canada. Since 1951 the drinking of alcoholic beverages has more than doubled. Liquor has become part and parcel of our social life. Many people are able to enjoy a drink and have never any medical problems. However, last year there were over 2,000 deaths in Canada from automobile accidents where alcohol was a related factor. This amounts to over two million man-days lost, costing the economy $40 million.

I am not going to refer to any of the diseases caused by alcohol consumption; they are many and are increasing rapidly, and they are mostly fatal. The point I am making is this: How much money is the government prepared to spend to educate our young people to the dangers presented by the use and abuse of alcohol which, according to the Le Dain commission, is far more dangerous than drug abuse? What is the government doing to assist the young people to adapt themselves realistically to a society which accuses them of using drugs while their parents use alcohol and give them the right to drink at 18, even though the minister cannot enforce a law— and nobody is asking him to—to abolish alcohol as he tried to do with some drugs such as the sugar substitutes?

• (1250)

I hear the hon. member for Parkdale (Mr. Haidasz) making some remarks. If he wants to stand up and give us his thoughts, that is all right.

What has the minister done about research into this matter? I am sure the hon. member will support me on this. If he sits and listens he will learn. Surely the minister can do something about research into the dangers of the excessive use of alcohol. The danger not only includes harm to the persons themselves but to other people as well because an alcoholic affects the lives of many others. Fortunately we now regard alcoholism as an illness which should be treated, and more research into alcoholism should be carried out. We should spend more money on research so as to prevent the long list of tragedies that follow in its wake.

Some hon. Members: Hear, hear!

Mr. Rynard: This is not the only area in which the minister lags. He has done little or nothing, even though a Liberal government brought in medicare in 1966, to provide the necessary doctors to carry out the increased work required under medicare and to meet the loss of doctors. Last night the minister said in the House that Canada had one of the highest ratios of doctors to population in the western world. I do not like him to mislead the Canadian people and to put the doctors of this country in a bad

light, because that is exactly what he is doing. He is not telling the truth.

Some hon. Members: Oh, oh!

Mr. Rynard: I have here United Nations figures which I will table. They show that in Canada we have one doctor per 890 people. In the United States there is one doctor for every 650 people, in England and Wales one doctor for every 860 people, in Northern Ireland one doctor per 780 people, in Scotland one doctor for 780 people, in Sweden one doctor per 850 people, in West Germany one doctor per 650 people, and in the U.S.S.R. one doctor for every 430 people. The World Health Organization figures show that in Canada there are 120 doctors for every 100,000 people, in the United States there are 130 doctors, in the United Kingdom there are 147 doctors, in France, 154 doctors, in West Germany, 193 doctors, in Israel, 250 doctors, and in the U.S.S.R., 250 doctors per 100,000 population. Eastern Europe which fell so far behind has caught up today and they have a better record in many cases than Canada.

I will table this information because I think the minister should stop this nonsense of saying we have the best record in this respect when this is not so. He is casting a reflection on the doctors of this country. The figures which I have read will appear in *Hansard*.

The government was to provide medical complexes and to provide teachers and equipment to expand medical schools. What has the minister done in this respect? Year after year we have asked for medical schools to be operated in the summer months so as to step up the graduation of doctors by 30 per cent. What has the government done in this respect? Not one solitary thing. Year after year the minister has been promising to see his colleagues about it, and year after year doctors are left shorthanded and are criticized because there are not enough of them to do the work they are called upon to do.

I remember the time in the House when the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), who was the premier of Saskatchewan for many years, said that medicare would increase the workload by approximately 25 per cent. The Hall Commission report recommended that the government get busy at once and increase the number of medical students thus increasing the number of doctors to meet the increasing demands. What has happened? We have only to look at the sorry record. We are importing as many doctors as we are graduating students; about 1,000 doctors were brought into Canada and 1,000 students were graduated with little or no improvement in the situation. A start was to be made at once. We have rejected many of our own students while accepting doctors from other parts of the world who were less well educated that our own. Now the government is talking about medical assistants, about felchers, or whatever you want to call them, who are partially trained doctors or nurses. Would they make house calls? Some three years ago when I was in Washington I was advised by some Russian doctors that they have found the felcher system to be wasteful. The system did not work out so well and sometimes it created problems which took longer to clear up than if qualified doctors had seen the patient in the first place.

The situation we have today has been created as a result of the fact that the emergency units of the hospitals are overcrowded. Many of the units have workloads requiring several doctors and nurses to operate them on an emergency basis. It is grossly unfair to blame the doctors for sloppy work. Their workload has been extended to the point where it is difficult for them to spend the necessary time on a patient or to do a thorough clinical examination, and consequently cases are missed and patients are often seen hurriedly, which leads to expensive medicare. Again and again we find that it is the poor who are suffering and it is they who are going to emergency units in far greater numbers than others. If we look at the record of admissions to hospitals we see that there are three or four times as many poor and underprivileged as there are well to do people.

I was interested to hear the minister say last night that the department would set up clinics to practise preventive medicine. May I call it one o'clock, Mr. Speaker?

* * *

PRIVILEGE

MR. STANFIELD—ALLEGED DELETION FROM "HANSARD"

Mr. Speaker: Before we call it one o'clock may I refer to a point of order which was raised earlier today at the opening of our proceedings in the House. The Leader of the Opposition raised a question about a deletion from yesterday's *Hansard* relating to an exchange between the Prime Minister and the Leader of the Opposition. I indicated at the time that I would look into the matter. Since then I have had the official record examined and no evidence could be found of any deletion from the record. I have the assurance of the Editor of Debates that what appears in *Hansard* of yesterday is an accurate report of yesterday's proceedings.

It being one o'clock I now leave the chair.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed consideration of the motion of Mr. Ross Whicher for an Address to His Excellency the Governor-General in reply to his speech at the opening of the Session.

Mr. Rynard: Mr. Speaker, before the noon adjournment I was mentioning the shortage of doctors. To recapitulate, I point out that national medicare was introduced by the parliament of Canada. Once that was done, it became the responsibility of parliament to see that sufficient doctors were provided to implement the findings of the Hall Commission report which formed the basis for medicare. But in the intervening years, no real attempt has been made to provide sufficient doctors.

We need at least 2,000 more physicians per year to maintain the current level of health services, and the current level is inadequate. This does not take into account the number of physicians who go into administration, do research, or undertake the education of other doctors. We must also keep in mind the fact that approximately 50 per cent of our physicians are only in general practice. To illustrate how we are meeting the need, I point out that last year we graduated 1,152 new doctors, but we needed 2,000. I see the hon. member for Hull (Mr. Isabelle) looking at me when I say this because he knows that we imported another 1,113 doctors, a lot of whom came from countries that could ill afford to lose them, and from countries whose requirements for entrance to medical school are lower than the requirements of Canadian medical schools.

Furthermore, I point out that only four out of every ten students who applied were accepted for Canadian medical schools. It is not a question of our having insufficient numbers to enter medical schools. I repeat that only four out of ten were accepted. The reason for this was that the government did not provide the necessary health resources fund to make available the spaces and the universities to train all the students we should have taken. That is the real problem. Neither did the government give the universities or students the money and facilities to continue their training during the summer semester.

The health resources fund must be expanded to cope with all the students who wish to go into medicine. Some of those in government and universities say that doctors cannot be adequately trained in such a way, but I point to our performance during the last war. The doctors who at that time finished their courses in four years have not taken second place to any who were trained under the six-year plan, either before or since then. Those who graduated after four years had put in the necessary hours of training. Last year 600 Canadian students possessing all the basic qualifications adequate to go into medicine were rejected, yet I repeat that we accepted 1,100 immigrants from outside the country. In actual fact, we turned down our own Canadian boys and girls. I repeat that 50 per cent of our doctors specialize, or engage in administrative insurance and other fields.

I now wish to deal for a few minutes with the bureaucracy that has crept in under the national medicare plan as a result of the number of forms used. Forms have become very important and when patients are transferred from one place to another these forms have to be filled out in duplicate. I am sure the hon. member for Hull will substantiate this. I have been told by doctors in practice, as he is, that 10 per cent to 20 per cent of their time is spent just filling out forms. This adds to their expenses and leaves them less time to practise medicine. People are getting a little bit fed up with this situation.

• (1410)

In the province of Ontario it costs the taxpayers around $50,000 to train a doctor. People are saying it is easier to get their car serviced than it is to get medical service. Surely, that situation has to be corrected. The high-sounding platitudes spoken by the minister last night are not going to solve the problem. What has been accomplished in his four years as minister? Let him state just one thing that has been achieved in this field. He talks about community clinics but if there are not enough doctors now to look after the sick, who is going to staff the community clinics? How does he propose to set them up and to service them? I agree with the principle of preventative medicine, but where are we going to get the doctors to put it into practice. Is the minister going to have these doctors on duty every hour of the day and let all the people who are too ill to go to a clinic die without any attention? He says there is too much treating of the sick in hospitals already, so what is he going to do when there are not enough doctors to discover and treat incipient disease. He has not prepared for that day as was recommended in the Hall commission report.

This government stands condemned at the bar of justice for what they have done to the medical profession by not supplying more doctors and for what they have done for the people of Canada under medical care by not providing the doctors to give adequate medical care, either for sickness or prevention.

Mr. Deputy Speaker: I regret to interrupt the hon. member, but I must do so in order to advise him that his time has expired.

[*Translation*]

Mr. Joseph-Philippe Guay (St. Boniface): Mr. Speaker, first of all I want to congratulate the mover and seconder of the Address in reply to the Speech from the Throne, the hon. members for Bruce and Trois-Rivières (Mr. Whicher and Mr. Lajoie), who performed their task with great intelligence and integrity.

[*English*]

Mr. Speaker, the accomplishments of the government speak for themselves and many members on the government side have referred to them in the last few days, particularly since the Speech from the Throne, so I feel there is no need for me to reiterate at the moment. However, I shall do so in my own constituency because I believe that the people of Canada should be well informed at all times. Statements about events can certainly be slanted so badly by members of the opposition that I believe we have a responsibility to go back to our constituencies and put the record straight by telling our constituents how things are in a straight and orderly fashion.

After listening to the speech of the hon. Minister of Regional Economic Expansion (Mr. Marchand), I should like to congratulate him. Not only did he give the true story of what has taken place in his department, but he also gave the true explanation of what is taking place in various parts of Canada with regard to development, particularly in the DREE areas.

On the other hand, the members of the loyal opposition since 1968 have done nothing but criticize government policies. In all fairness, I must agree that it is the role of the opposition to criticize but what has the loyal opposition offered as concrete, sensible suggestions? Most of the time they talk about doom and gloom—the same old story, the same old speeches. If you took their speeches from one day to the other, put them all in a bag and mixed them up and then took out the words one by one you would get a repetition of the same old thing.

Some hon. Members: Hear, hear!

Mr. Guay (St. Boniface): There has been no change since 1968; in fact, there has been no change since 1962-63. They are still talking about the short time when they were the government. I think they are still dreaming about it and are not doing the constructive job that they should as the loyal opposition. They rearrange their speeches, possibly with a few more words, but they all have the same meaning, the same criticism, the same lack of feasible suggestion.

As an example, let me refer to their own convention held last December 5, 6 and 7 at the Chateau Laurier. I have here a few notes extracted from the various reports and papers. The subject of prime interest to the delegates was Canada's economic independence, the guaranteed annual income, tax bill C-259 and auto-determination for Quebec, but the delegates were so mixed up, Mr. Speaker, they did not know which way they were going. The delegates were not of one mind, the story went, about whether anything at all needed to be done about the extent of foreign ownership of the economy. It was also fairly clear that more of them supported a moderate form of economic nationalism. For example, the first resolution on Canadian economic independence stated that the federal and provincial governments should take urgent steps to reach a consensus on long-term economic and political independence in Canada.

I am now speaking of the Conservatives, the loyal opposition, Mr. Speaker. Disagreement amongst them on the subject of taxation was so widespread that their committee on economic affairs held a special debate on the subject. Many delegates wanted taxes to be cut but could not agree on how much or the way in which it should be done. Others argued that the government must cut back on spending, but again they did not know how to do it. Discussion on the tax bill was mostly negative. May I repeat that last word—negative. I do not hear too much hollering this afternoon, Mr. Speaker, because there are so few members in the House. I am surprised that they do not come and listen to some of the backbenchers once in a while.

The question of the guaranteed annual income scheme was first raised by Mr. Stanfield in 1969 and created a conflict between left and right wing Conservatives in their own committee discussions. As a result on the final ballot there was a resolution indicating the need for a guaranteed annual income.

I could go on and indicate that the members of the loyal opposition do not agree amongst themselves on their own policy. In fact, they have not got any policy. They do not agree on it, Mr. Speaker. They do not agree on leadership, either. I could go on about that particular convention. It was said that it was the dullest event that occurred in Ottawa that week. Unless you were a Conservative and attending that convention, by gosh, you did not know it was going on.

• (1420)

An hon. Member: Stay in there, Joe.

Mr. Guay (St. Boniface): The opposition, Mr. Speaker, has framed no understandable policy on the nation's basic problems. I see some hon. members want to enter the chamber. There are so few opposition members here that I welcome them.

Mr. Paproski: Stick to your speech.

Mr. Guay (St. Boniface): I can give as good as I get, so I ask the hon. member to be careful in what he says. The opposition, may I repeat, has not framed an understandable policy with respect to the nation's basic problems. It has contrived no specific issue and has relied, so far, only on the government's unpopularity, a negative and dubious assumption.

I wish to refer to the challenge thrown out by the Prime Minister (Mr. Trudeau) to the Leader of Her Majesty's Loyal Opposition (Mr. Stanfield), as recorded in *Hansard* for February 18, page 36, in the bottom paragraph of the right hand column.

> I challenge the Conservatives, Mr. Speaker, to describe honestly and candidly to the Canadian people what their posture towards the United States would be in this difficult negotiation. Would they have gone to Washington cap in hand, to employ their own phrase, and agreed to a forced upward valuation of the dollar in order to prove their friendship with the United States? We didn't, and we did not endanger Canada's good standing with the United States in any way by not doing so.

The Prime Minister went on to say—

Mr. Woolliams: Good for him.

Mr. Guay (St. Boniface): I see the hon. member for Calgary North (Mr. Woolliams) has come in. It is nice to see him in the House on any afternoon. The Prime Minister went on and said:

> Would the Conservatives have made unilateral trade concessions in order to free us of the requirement of tough bargaining? We didn't, and we don't intend to do so now. Just what is the stand of the Conservatives. A sell-out to the Americans to prove friendship? Or do they secretly admire the way in which the government has handled these negotiations but are too small to say so publicly?

The Prime Minister also said, as recorded at page 37 of *Hansard*:

> If the opposition parties disagree, then I wish they would address themselves to that issue and those objectives and stop chasing their colourful theories.

My question then is, Mr. Speaker, why has this challenge not been taken up by Her Majesty's Loyal Opposition? Why is it that when challenges have been thrown out by the Prime Minister and other ministers in this House, the loyal opposition has not at any time taken them up? I also wish to ask members of the loyal opposition and their leader if they would like to tell the House what their party policies are on such matters as foreign ownership in the economy?

Mr. Forrestall: What are yours?

Mr. Guay (St. Boniface): What is their policy on taxation?

Mr. Forrestall: What are yours?

Mr. Woolliams: We know what your policies are.

Mr. Guay (St. Boniface): What is their policy on a guaranteed income?

Mr. Forrestall: What is yours?

Mr. Guay (St. Boniface): What is their policy on abortion, or legalization of certain drugs?

Mr. Forrestall: What is yours?

Mr. Guay (St. Boniface): What is their policy, Mr. Speaker, pertaining to the two famous words they have used for many years, "two nations;" and last, but not least, what is their policy on bilingualism?

Some hon. Members: Oh, oh!

Mr. Guay (St. Boniface): I have listened to hon. members opposite all week, and some of them do not seem to know of the great unity which has been established in Canada by this government. Every single Conservative who has spoken in the House of Commons in the last few days, with the possible exception of the last speaker, has done harm to the cause of Canadian unity. They could not accept a bill which was passed in this House with their own approbation. I am talking about the bilingualism bill.

Some hon. Members: Oh, oh!

Mr. Guay (St. Boniface): Many hon. members opposite have spoken against it in the last few days. That is typical of the Tory party, which always speaks with a forked tongue. Hon. members use a different language when they speak outside this House.

Mr. Paproski: Don't bother speaking about bilingualism, speak about bread and butter.

Mr. Guay (St. Boniface): I am talking about bread and butter. You need it, too, mister. If I were like the hon. member, I would go without butter.

Mr. Paproski: Shame.

Mr. Woolliams: You look pretty healthy, too, Joe.

Mr. Guay (St. Boniface): Perhaps the problems I have spoken about are too complicated, too difficult and too involved for the loyal opposition to understand or deal with. Perhaps that is why the opposition has not offered—I repeat, has not offered—concrete, sensible and feasible suggestions to this House and the Canadian people. That is why they have not accepted—

Mr. Woolliams: The so-called just society.

Mr. Guay (St. Boniface): That is why they have not accepted the Prime Minister's challenge. It would be too difficult for them to understand. They cannot formulate a policy and let the nation know about it. May I repeat this, to emphasize it. I am not the only one making such statements. Bruce Hutchison, in last night's Ottawa *Journal*, examined this situation carefully and said that the opposition had offered nothing concrete, sensible or feasible to this House.

Mr. Forrestall: He is one of the leading Liberal spokesman.

Mr. Woolliams: But Mr. Hutchison is not unbiased.

Mr. Guay (St. Boniface): If the Conservative party cannot agree on its own policies, how can it ever offer constructive criticism on the government's policies? The opposition has done just the opposite by slanting and ridiculing our just society. The good will and support of everyone, and particularly of the opposition, are needed if we are ever to realize the just society.

Mr. Forrestall: That will be the day.

Mr. Guay (St. Boniface): Mr. Speaker, to illustrate the attitude of the opposition may I say that when the House was requested by His Excellency, the Governor General of Canada, to proceed to the other place to hear the Speech from the Throne—

Mr. Woolliams: There was nothing in it.

Mr. Guay (St. Boniface): —on Thursday, February 17, most members of Her Majesty's Loyal Opposition opposite me did not attend. Why, Mr. Speaker? Why did they not attend en bloc, as they say in French. In other words, en bloc they protested and did not attend the Senate; this is true of all except one of their members who went there humbly, cap in hand, as did their leader. Why did they stay away from the Senate en bloc? This was a direct insult levelled at Her Majesty, the Queen.

Some hon. Members: Oh, oh!

Mr. Guay (St. Boniface): This was showing disrespect to Her Majesty the Queen, to the Senate and to the Governor General of Canada.

Mr. Forrestall: There speaks a great monarchist.

Some hon. Members: Oh, oh!

Mr. Paproski: Shame on you, Joe. They will never believe that in St. Boniface.

Mr. Guay (St. Boniface): Mr. Speaker, they did not attend the Senate en bloc, thereby showing disrespect to Her Majesty the Queen, His Excellency the Governor General and the Senate of Canada.

Mr. Nesbitt: Joe, you pay attention and I will drive.

• (1430)

Mr. Guay (St. Boniface): In the same breath, the opposition tells the House and the public that it is concerned about the coat of arms on RCM Police cars and that we on the government sides are against the monarchy. This confirms once and for all that the loyal opposition is only playing politics. They are not sincere with the people they represent. They are not even sincere when they talk about the monarchy, or they would have attended the Senate as a loyal opposition normally does.

Some hon. Members: Hear, hear!

Mr. Guay (St. Boniface): There is no doubt some members of the loyal opposition are sincere and do a good job. There are a few. However, when only the leader attends the Senate, that is very bad. This is the first time I have seen so many members opposite present in the chamber.

Mr. Forrestall: It is all because of you.

Mr. Guay (St. Boniface): I would like to raise another matter. I wish to quote from a newspaper. I got this idea from members opposite who are always quoting from

newspapers. They could not make a decent speech without quoting something. If they did not have an editorial staff to write their speeches, editorials and articles in the press, we would gain at least three quarters of the time we are now losing by listening to members opposite quoting from newspapers during their speeches. I felt that possibly I should do the same once—so that they could see what it is like.

An hon. Member: You do not have a very good audience.

Mr. Guay (St. Boniface): They are not very appreciative of this fact.

Mr. Forrestall: No one over there is paying attention to you.

Mr. Guay (St. Boniface): Recently, the Prime Minister was criticized. He was quoted as saying that British Columbia adopted a bigoted attitude towards bilingualism.

Mr. Woolliams: He called Bennett a bigot.

Mr. Guay (St. Boniface): Is that it? Stand up and correct that statement for me. The hon. member for Calgary North (Mr. Woolliams) will do it for me.

Mr. Woolliams: We will get the facts straight for you.

Mr. Guay (St. Boniface): The opposition does not practice what it preaches. They also speak while remaining seated, but that is all right; I am used to that.

Some hon. Members: Hear, hear!

An hon. Member: You are honest, Joe.

[*Translation*]

Mr. Guay (St. Boniface): Mr. Speaker, I should like to refer to an article published in *Le Soleil*, the only French-language newspaper in British Columbia. The few lines I have here reflect the feelings of the Francophones not only in British Columbia, but throughout Canada and more particularly in western Canada.

Here is what they say:

> The attitude of the provincial government toward French Canadians must change, and the best time for it is now.
>
> The general public in British Columbia seems to worry about the fact that their premier was described as he appears to be; that reaction is unfortunate and somewhat exaggerated when the incident is seen in context. The general public should worry instead about the discrimination against an official minority in the province, discrimination that starts in the very denial of the existence of that minority. We can start remedying this situation by promoting adequate teaching in and of French in our schools, and by supporting rather than hampering the efforts of existing French Canadian institutions and their culture in British Columbia.

Mr. Trudeau has drawn public attention on the well known fact that the government of British Columbia is working very hard to hamper anything French. Let us note the fact that so far, nobody has yet rejected the charge that the head of the provincial government is following a course which seems based on ignorance and narrow-mindedness. The people around him justify his attitudes and policy despite their lack of soundness.

> He maintains that French Canadians—the one million of them outside Quebec and more particularly the 90,000-odd in British Columbia—have no right outside Quebec and must accept that.
>
> It can certainly be recognized that it is increasingly urgent and essential that French Canadians be entitled to their language and their culture throughout Canada—even in British Columbia—or else we are going toward fragmentation of our country.
>
> So far, extremists, whether English- or French-speaking, have not been successful in dividing us and they will not sunder us if moderate men are sufficiently anxious to work against any policy of division or discrimination which might exist in our province.

Mr. Speaker, I would like to keep on quoting the article of the same paper:

> In order to clarify any misunderstanding, let us mention that there are close to 90,000 French Canadians living in British Columbia, and more than one million outside Quebec, in the nine other provinces.
>
> To put everything into perspective, six of the Canadian provinces have fewer than one million inhabitants, so the million of French Canadians outside Quebec is an important group indeed.
>
> The federal policy on bilingualism is undoubtedly favourable to Quebec and a critical factor for the survival of French Canadians outside Quebec.
>
> Bilingualism is of primary importance for the 1,000,000 French-speaking Canadians residing outside Quebec, and no anti-Quebec sentiment should enter the discussion merely to justify an anti-French-Canadian policy in British Columbia.
>
> That province's government does not provide adequate opportunities for the teaching of French, either to French Canadians or to English Canadians, and an anti-Quebec feeling can no longer justify such a deplorable situation.
>
> If Premier Bennett is not a bigot, let him prove it through his policy, because it is only through this that we will be able to judge.

[*English*]

I think that really tells the story of how people feel. This editorial was written by a Francophone in British Columbia. The same applies to other Francophone groups in western Canada, including Manitoba, Saskatchewan and Alberta where they are certainly numerous. I deplore the fact that after having voted for unity and bilingualism in Canada, some members of the loyal opposition make statements that are contrary to the principles they have supported. In fact, this is evident from what they have said in the past few days. The members of the opposition should either put up or shut up. They should tell the Prime Minister, if they accept his challenge, what they would do if they formed the government. Then, they might make a valuable contribution to proper legislation being passed in this House. The hon. member for Edmonton West (Mr. Lambert) said that this was a forum in which to discuss policies and all kinds of problems. I think it is also a responsibility to come up with something that is sensible. They should make sensible suggestions and not just speak for the sake of speaking.

I would like to speak briefly about something which has been on my mind for a long time, the old age pension. I do not always agree with the hon. member for Winnipeg North Centre (Mr. Knowles), but I somewhat agree with his philosophies in this regard. I will support an increase in the old age pension. I would certainly be pleased if this came about and I will make personal representations to the government in that regard. I will make every attempt

to do so when the occasion arises. Rest assured that I will do this. I can speak just as loud in caucus as I do in the House.

• (1440)

There is one further thought I have. I would suggest to the government that a lot of consideration be given to the implementation of wage and price controls. I am one who believes that the sooner this is done the better it will be. There are many other things I should like to draw to the attention of hon. members. Perhaps I shall have a chance to do so later on. I shall finish up by saying to the Leader of the Opposition that the sooner he accepts the challenge of the Prime Minister, the sooner I shall take my hat off to him.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I am very sorry that the Prime Minister (Mr. Trudeau) was not in the chamber to hear the closing remarks of the hon. member who has just spoken in order to learn something of the way in which political parties should act before and during an election campaign by setting out their policies in detail. In 1968, if I recall correctly, the Prime Minister said: I have no policy; I promise you nothing; I will give you the just society. Well, it is not just for us in western Canada. It is not just for those who are unemployed. It is not just for those in the Atlantic provinces. It has turned out to be just for Grits.

I want to deal, now, with one or two matters of very deep concern to my country. I have been in this House a long while and I intend to stay a long while longer.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: In spite of the vicissitudes of public life, with one party or another being in power, I have never known my country to be in the doldrums as it is today.

Some hon. Members: Oh!

Mr. Diefenbaker: Many members opposite who groan will be groaning on election night because they will not be here. Everywhere in our country, men and women of all political faiths, are asking: Where are we going? They have a deep sense of fear. There is none of that pride in Canadianism which has been ours throughout the years, and which was shown to all the world at Expo '67 which my government had the honour to bring about.

I see parliament. What is it? A caricature of the institution it should be. The Prime Minister yesterday made a statement in this House indicating peevishness, pettiness, with profanity. That observation will, I am sure, have the same effect as the short statement by the Right Honourable Mackenzie King in 1930 had on the Liberal party of that day. As I go across the country, I meet older Canadians as well as the youth of our nation. I have always been very proud of them and I am more so with the passing of days. They want to do something for Canada. There are about 4 per cent who want to create trouble, but the rest are motivated by tremendous dedication to the building of Canada. They want to bring about changes and bring them about by democratic means. They come here and they sit in the galleries of the House of Commons. And they leave asking: What manner of institution is this?

[Mr. Guay (St. Boniface).]

The hon. member who preceded me said that Her Majesty's Loyal Opposition did not have the regard for the Queen and for the monarchy that we should have. I find it difficult to understand that anyone could be suffering such a degree of innocence as was displayed by the hon. member in those words. The subject of Her Majesty the Queen has come to the fore with the approach of the election. She was left out of the Speech from the Throne in 1969. The Secretary of State (Mr. Pelletier), who has the custody of the Seal of Canada, voted for the abolition of the monarchy. The Minister of Regional Economic Expansion (Mr. Marchand) did the same. The Prime Minister was asked whether he had voted and he said he had not. But he went on to explain that he had less regard for the monarchy than he had for skiing or even for snowshoeing.

Just follow the peregrinations of this government. One day the monarchy is condemned. The next, the Speech from the Throne refers to the fact that the Governor General is thanking parliament in the name of the Queen. A little later on in that speech, Her Majesty becomes "Our gracious Queen". So it is in almost every field, with the Prime Minister making statements one way today and then saying the very opposite tomorrow. That tortuous course was suggested 500 years ago by Machiavelli, who said, in effect, let the people understand what you are doing and you will encounter difficulties. Parliament is one day lauded to the skies by the Prime Minister and the next day members of the House of Commons are described as nobodies. This institution is the only place in which the freedom of the country can be maintained and continued; there is no other.

• (1450)

Now, there is a great national movement underway to build up the Prime Minister. I read that the president of the Liberal Association, Senator Stanbury, said: "We have to build him up". Then, the Minister of Manpower and Immigration (Mr. Mackasey) uttered some immortal words. I am sorry to see he is not here today as a result of circumstances that I hope turn out favourably, but quoting him—because, after all, he is worthy of quotation—he said: "Greater faith must be built in the Prime Minister". That shows that some of the Liberals are beginning to need that inculcation. He said he was tired of hearing that the Prime Minister had feet of clay. Only deities do not, Mr. Speaker.

Today in the city of Ottawa there are a number of United States press and radio men who have been brought here for the purpose of seeing the Prime Minister at first hand. Many of the papers of these representatives have agents in the press gallery, but that is not good enough. Do you know the reason they are here, Mr. Speaker? It is because the Prime Minister is trying to make the United States forget the fact that when he was in the U.S.S.R. he said: "We fear the United States culturally"—and I can understand that—"and we fear the United States economically"—and I can understand that. Then he said: "yes, and even militarily". I say there never was a more dastardly statement made of the United States anywhere, any time, by any person. That is why their newspapermen are here today, for the purpose of learning at first hand that the exact opposite of what was said is the truth.

I have a great admiration for adroitness, providing it is accompanied by truthfulness. I have been watching the Prime Minister in action and have heard him say one thing and then the very opposite. I often think as I watch him in action that he epitomizes the game we used to play as boys called fox and hounds, in which the fox scattered the paper around indiscriminately in order to deceive those who were the hounds, to mislead them. That is what is happening here.

The cabinet has been shuffled around. The Prime Minister took the deck and shuffled it. He added one that added nothing and shuffled the rest. I have played cards from time to time but have never known anyone, however often he shuffled, who could turn four deuces into four aces. I allow my hon. friends opposite to place themselves or their colleagues in the particular categories.

We have today a cabinet that is noted for its absenteeism, not for good reason but just to avoid having to answer questions. However, there is one minister for whom I have a great deal of admiration, and I refer to the Minister of Regional Economic Expansion (Mr. Marchand). I knew him before he became a Liberal, at the time he was a labour leader. Today, he is a minister of the Crown. Can you conceive of a minister of the Crown, Mr. Speaker, with hundreds of millions of dollars to expend, being the leader of his party in the province of Quebec, sending out over his own signature requests for Liberal party funds? Here is what his letter said, in part:

Funds must be available so that the work of the party, in the next few months, may be adequately financed.

This is a course of action that is dangerous to parliament and is something that cannot be condoned. It must have been approved by the cabinet or it would not have been done, and indicates the degree to which this government by insidious methods will place many companies in the position where they will have to contribute, or at least will find that to contribute will be conducive to receiving contracts. Such a course is inexcusable, reprehensible, and cannot be justified in any way.

Since the hon. gentleman who preceded me dealt with the subject, may I too, refer to the Queen. We all know what the government has done with the coat of arms. Only a few ministers have the coat of arms on their letterheads today. The Minister of Agriculture (Mr. Olson) has part of a flag with a tractor going through it. I do not know whether it is an imported tractor, but it indicates an attitude of mind on the part of all. Although the Prime Minister has not yet removed the coat of arms, others have.

The abolition of the monarchy, may I mention, was in the minds of the Liberal party on December 13, 1968. After all, there was criticism from the Secretary of State (Mr. Pelletier), who is always going around with a scholastic egotism which I like to watch. He now has control over the CBC. I do not know whether he has control over that other gentleman of the *Cité Libre*, Mr. Gagnon, but I intend to deal with him shortly since his past record qualifies him in every respect for consideration.

Let me quote from *Time* magazine for the date I mentioned in 1968:

Last week, thinking aloud in the Liberal caucus, the P.M. said that the government hopes to "Canadianize" the monarchy by quietly "depersonalizing" the Queen's role in favour of more emphasis on the constitutional position of the Governor General—by, for example, replacing the name of the Queen with that of the Governor General on all official documents.

It was said that this could not be in their minds. Then, the government came out later on with its organization of the government of Canada, a large volume that comes out each year. I venture the opinion that few of the members supporting the government have ever looked at it, and certainly we followed suit. It is simply a conglomeration of information. In January 1969, the statements in it followed the Provisions of the British North America Act. It stated:

• (1500)

The Executive Government and authority of and over Canada is hereby declared to continue and be vested in the Queen.

That has been erased. It now says that the cabinet is actually in charge of the executive. If you follow it along, you see what has happened. The Governor General cannot do anything except that which his ministers permit him to do. He is the representative of the Queen. He is not the leader of this nation. He is not a head of state. Yet, in 1971 he was in Iran at their twenty five hundredth anniversary. There were three categories of guests invited: royalty, heads of state and representatives of heads of state. The Governor General of Australia was in the third category, but the Governor General of Canada was there as a head of state.

The direction of the movement is obvious, but suddenly the Prime Minister changes his mind. His actions can almost be compared to those of Saul on the way to Damascus. After having criticized the monarchy, both directly and by imputation, the Prime Minister now in 1972 says that he will not abolish the monarchy. He has made a sudden discovery that he cannot do it. The only way in which the Crown can be abolished is by a vote of the House of Commons, the Senate and all the provinces. So, he comes out in his white shining armour and says "I am all for the Queen", and she gets triple mention in the 1972 Speech from the Throne, but there was no mention of her two years ago.

Now, I come to a matter that has been up several times, that is the Royal Canadian Mounted Police. I have listened to what the Prime Minister said outside the House. I wish he would say some of those things in the House, and then I would operate without anaesthetic. Let him say them, even if he reads them, in the House of Commons. Does he like the Royal Canadian Mounted Police?

Some hon. Members: Sure.

Mr. Gibson: Oui, pourquoi non?

Mr. Diefenbaker: Why not. I will tell you why not. I am glad the hon. member asked. Has he forgotten that in the days of war the Prime Minister rode around the city of Montreal on a motorcycle wearing a Nazi cap?

Some hon. Members: Oh, oh!

Mr. Diefenbaker: The hon. member wanted information. I know he does not want it now. The Prime Minister rode around the city wearing a Nazi cap in order to tease the mounted police.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: The interruptions indicate that ignorance is still a qualification for membership on the other side of the House. They say today that the change so far as the RCMP is concerned was evolved three years ago. Of course, someone had to be blamed, so the mounted police are blamed. If it was evolved three years ago, why is it that the cars purchased in 1972 with the RCMP sign on the side have had the sign repainted at a cost of $100 each?

Mr. Gibson: So people would know it meant police, people who are not Canadians, people who travel around; that is why.

Mr. Diefenbaker: I am glad to know that the hon. member for Hamilton-Wentworth (Mr. Gibson) knows one thing because up to the present time I have not heard any suggestion from him that would indicate acquaintance with or knowledge of anything else. When I heard of this sign in Saskatoon, I wrote to the Solicitor General (Mr. Goyer). Mind you, the story now is that although the change has been in effect for three years, it has not been enforced. When I was in Calgary, I saw the sign at the airport which has the coat of arms with RCMP written under it. This has not been changed because there would be a second northwest rebellion if they did change it.

Some hon. Members: Hear, hear!

Mr. Dinsdale: They have no regard for the west.

Mr. Diefenbaker: I asked the Solicitor General to explain in a letter which I wrote to him on January 17. I pointed out to him that there was no reference to the RCMP on the sign. It had the crest with the word "police" under it. I wrote:

> Why is there no reference to it being a detachment of the RCM police? Is this the result of policy?

I did not receive any reply on January 17. Yet, they had the answers. If the story they are telling today is true, why did they not give it? It took two telephone calls to prod them into giving an answer. This was before they worked out this latest alibi for what has been done. The answer stated:

> I am informed that this detachment displays the new sign designed by the Royal Canadian Mounted Police to blend with contemporary buildings.

That was the explanation, and it indicates, of course, that the sign was designed by the RCMP. They have to blame somebody. There are no other buildings there, but within the same building is the Royal Bank of Canada. The word "Royal" is still permitted there. The explanation that was given to me tells the story of the falsity of what is endeavoured today to fool the Canadian people. I simply say through you, Sir, to the government of Canada: your conduct toward the Royal Canadian Mounted Police has lost you hundreds of thousands of votes, not only in western Canada but throughout Canada, and you cannot alibi yourselves out of that.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: What is this new force that has been set up?

[Mr. Diefenbaker.]

Mr. Nielsen: The super-duper snooper force.

Mr. Diefenbaker: That is right. The description of the hon. member for Yukon (Mr. Nielsen) is well taken. But it is interesting that the government did not know there was such a thing. On January 29 I directed a question to the Acting Prime Minister (Mr. Sharp). It was in connection with the civilian secret service being established to replace the RCMP security and intelligence agency. Finally, the former minister of manpower and immigration said there was nothing to that. Then, the hon. member for Calgary North (Mr. Woolliams) asked about it and received much the same answer. But the Prime Minister said:

> Here again I think there is a misunderstanding. This is not a separate security force as the hon. member seemed to understand. It is a small co-ordinating body to make sure that the ministers in the cabinet have information collected from various sources including the RCMP so that the government will be better informed on the facts spread around in the various government departments.

Somebody asked the Prime Minister who was going to head it. He asked:

> Who is going to head the non-force, Mr. Speaker, a non-head?

The person who answers to that description, of course, is the Solicitor General. Then, Douglas Fisher, an astute member of the press gallery and a one time member of parliament wrote:

> I understand that the new departmental group is to have a permanent advisory function but that its first assignment is to recommend changes in the composition and operation of the RCMP.

• (1510)

They don't like the RCMP. As long as the RCMP is in charge, there is no danger in our country from communism. But it wasn't sufficient.

Then, the Solicitor General stepped in and explained away the unexplainable in these words, to be found at page 7699, and here he was quoting the Prime Minister:

> The security service, under the Commissioner of the RCMP, will be increasingly separate in structure and civilian in nature.

In his own words, he said:

> That principle remains. It is respected, and the fact that a research and planning group has been put in action does not change anything in the basic principle expressed by the Prime Minister.
>
> I would add that there is no question of this group directing police operations as such. As a matter of fact, as is indicated by its name, it is a research group, a planning group that will be mainly concerned with analysis.

The black cat gets out of the bag in the next sentence.

> In fact, what are the true responsibilities of this working group? First of all, to compile information and not to go and find it; also to set up some police services. The information will be provided mainly by the RCMP, of course, as well as by the Armed Forces, other departments that have information relating to the security of the country as well as by provincial government and other sources accessible to the public.
>
> It should then assess this information and call for additional information should the data obtained be inadequate. Finally, it should analyse the information as a whole, not merely from a strict police point of view, but in a much wider spirit, that is taking into consideration social, economic and political factors.

That is where the truth gets out. This force that has been set up is investigating. It is a force away from the RCMP, and among other things it is supposed to look into political matters. When one thinks how that murderer was given such fine attention that he was able to escape from the penitentiary, one wonders whether that comes under the heading of a much wider spirit which is included in the phrase "social, economic and political factors."

The Prime Minister said it is not true. He said the big lie shocks him. If he were here today, I would deal with that question at length. The truth is that every person in this country who has looked at the new RCMP badge knows that the designation "Royal Canadian Mounted Police" is out, excepting for the coat of arms. And the reason given is that the people, when they are looking for the police, do not know what RCMP means. That is what the Prime Minister said the other day. He said, "It is false. We have not done anything."

I have here a picture from the Toronto *Star,* Mr. Speaker. I cannot put it on the *Hansard* record; I wish I could. It shows the Solicitor General looking at a sign. This is the sign with the Coat of Arms and "Police." There is nothing else. What is being done in this case is undermining the Royal Canadian Mounted Police, and then the government explains it by saying the Royal Canadian Mounted Police thought they would like the change made. Can the Commissioner of the Royal Canadian Mounted Police say that? A few months ago he pointed out that if an embassy were opened in Ottawa by China, it would be a breeding place for agitators. He was immediately told, "Shut your mouth and never talk again." Yet now, these same people come along and, to exculpate themselves with respect to the dastardly deed that has been committed, they say, "After all, the Mounted Police wanted it done."

The Acting Speaker (Mr. Laniel): Order. I must interrupt the right hon. member, the time allotted to him having expired, unless he gets the unanimous consent of the House to continue.

Some hon. Members: Agreed.

The Acting Speaker (Mr. Laniel): Does the House give unanimous consent to the right hon. member to complete his remarks?

Some hon. Members: Agreed.

Mr. Diefenbaker: Now, Sir, I will move away from Canada to the international field, but only for a short time. I do not think I have ever known my country to be lower in prestige internationally than it is today. The statement by the Prime Minister that we feared the United States militarily was one that shocked the sensibilities not only of Americans but of free men everywhere in the world.

Then, there was the other statement made by the Prime Minister when he was asked by Ukrainian Canadians, and Ukrainians from other parts of the world, to bring to the attention of the Soviet authorities what was taking place today, not only in the Ukraine but throughout the captive nations of the world. Kosygin, when he was here, said he loved peace. How he must have laughed when he said that. Today Brezhnev and Kosygin are reviving the Stalinist repression that seemed to end with the elevation of Khrushchev to authority.

In the case of the Ukrainian people, 11 of their leaders have been arrested, not because of their advocacy of revolution but because they have been critical of the Soviet government's failure to live up to its pledged principles in the United Nations. There is a new wave of Russian persecutions against Ukrainians. The intellectuals who speak out are accused of dealing in anti-Soviet propaganda. The Sovier courts are applying a new rule and imposing additional sentences for acts allegedly committed against Soviet society while an accused is in prison. I can give example after example. One is Valentyn Moroz, a young Hungarian historian, who was sentenced in 1970 to nine years of hard labour for writing a report about Beria Reserve while serving a previous sentence of four years in that prison camp. I have the list here of free men, many of them communists, who are being put in jail without trial.

The World Congress of Free Ukrainians wishes to have this matter fully investigated. I intend to do what I can in that connection, it having honoured me by naming me as the national chairman. I will do what I can to assure those who love freedom, as we love freedom, in the Ukraine and in the Baltic countries of Estonia, Lithuania and Latvia, and in other countries that are under communist domination, that what is wrong will be revealed.

People ask where does the Prime Minister come in on this? I do not want to quote at length, but I will quote what he said when he was asked by the hon. member for Edmonton Centre (Mr. Paproski) what he was going to do about it, and what he had done. As reported on May 31 he said he had little sympathy with nationalists in Canada or the Soviet Union. He said:

> I quite frankly avoided talking about that. I tried to get some data which would permit me to talk about it on a basis on which I felt really involved and convinced, and—quite frankly—couldn't take up the causes, several of which were put to me, that I should protest in favour of so-and-so and so-and-so who had been jailed because of their nationalistic beliefs.
>
> My position in the Soviet Union or in Canada is that anyone who breaks the law to assert his nationalism does not get too much sympathy from me.

In 1958, he said that everyone had the right to oppose any law if he did not agree with it.

Again, according to the report on May 31, he said:

> I didn't particularly feel like bringing up any cases which would have caused Mr. Brezhnev or Mr. Kosygin to say: 'Well you know, why did you put in jail certain FLQ leaders? After all they think they are only fighting for the independence of Quebec. Our people say they are fighting for the independence of the Ukraine. Why should you put your revolutionaries in jail and we shouldn't put ours?

• (1520)

That statement was an insult to every Canadian of Ukrainian origin and to every other Canadian.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: It is equating the murderers and kidnappers with intellectuals who are simply advocating that the law be lived up to. Then, when the Prime Minister got into difficulty about that he said "I really didn't mean that". The same old equivocal course. Say the thing, have

the accolade of Kosygin placed upon the brow for having said it, then say "I really didn't mean it". If I say that he must have meant it somebody might say that I have partisan reasons, but I will quote from the Winnipeg *Free Press* of June 2, 1971. This newspaper is an avowed and dedicated supporter of the Liberal party but an article in it reads:

> Prime Minister Trudeau's unfortunate comparison between the Ukrainian nationalists and the FLQ in Quebec is beyond comprehension.

And later, in the same article:

> The Ukrainian nationalists were arrested because they strove to keep alive Ukrainian culture, language and literature in an increasingly Russian environment.

Perhaps the Prime Minister has forgotten the millions of dollars spent on the B and B commission for an analogous performance if he is really seeking analogies. Then, in the same article:

> To compare these Ukrainian martyrs with a misguided band of kidnappers and assassins is not only an insult to the Ukrainian intellectuals and their kin, but a slap in the face of every democrat who abhors totalitarian tyranny.

Having got himself in that difficulty, he followed his usual course. He brought the leaders of the Canadian Ukrainian Committee to Ottawa and told them that he loved them, that what he said was misunderstood. But no amount of charisma can explain away what took place when he dared say this to people with that little flame of freedom before them. Many of them were martyred. Today thousands are in danger and hundreds have been picked up recently. Why has the Canadian government not pointed this out at the United Nations? They have never said a word, not one word. When Khrushchev was there in September, 1960, I mentioned the awfulness of the course of these people, and I was told by the highest ecclesiastics that the change that took place thereafter was amazing because public opinion in every other part of the world does affect the Soviet Union. This country has half a million Ukrainians, some of whom are our finest citizens and have served our country tremendously in days of war as they served in peace. It is beyond me to contemplate why the Prime Minister should have engaged in the blackmail of untruth.

I told you, Your Honour, that I would only take a few minutes. I thank the House for its consideration in permitting me extra time.

Mr. E. F. Whelan (Essex): Mr. Speaker, I rarely speak in this House and I rarely speak after one so well known as the right hon. member for Prince Albert (Mr. Diefenbaker), but I think I would be remiss if I did not comment on some of the statements he made. One of the things he seemed to try to get across was that the image of the Prime Minister (Mr. Trudeau) in the United States was not good.

An hon. Member: It is not.

Mr. Whelan: I can tell you that a recent article written by an American reporter in the Detroit *Free Press* indicated that as far as many people in that area were concerned, they would trade two states of the union, the President of the United States, several senators and two or three of the United States largest corporations if Prime Minister Trudeau would go to their country and run it for them.

Some hon. Members: Hear, hear!

Mr. Whelan: I live in an area that is very close to United States. We do not always agree with the United States, but I do know the feelings of the people in that part of North America.

An hon. Member: We will give him away.

Mr. Whelan: They do not think the way the right hon. gentleman tried to say they do when he talked about our international image. I have not travelled very far but I have travelled in different parts of this country. I know that a delegation of young people is getting ready to go to Europe. How do I know they are going to Europe? Mr. Speaker, they did not ask for the badge of the red ensign or anything else, but they asked if I could get them some Canadian flag pins or maple leaf pins so they would be recognized in Europe as Canadians. That is what they wanted.

I thought also when the right hon. gentleman mentioned how the Ukrainians and some of the other people suffered, and none of us are denying they have suffered, that he would tell us about some of the other historical events of which some of us are not aware, such as what is happening in Northern or occupied Ireland. I thought he would tell us the background of that country which has been suppressed for over 700 years.

When the hon. member for St. Boniface (Mr. Guay) was speaking, someone said that we should talk about bread and butter. That is what I am going to do in my speech now. I shall try to stick to the bread and butter issues in which I think some Canadians are interested. Some of us use a different terminology and say bread on the table and shoes on the baby.

I want to thank the mover and seconder of the Address in Reply to the Speech from the Throne for their fine contributions. I have known the hon. member for Bruce (Mr. Whicher) for many years, even before he knew me. I used to watch him in the Ontario legislative assembly when I was attending junior farm meetings. He was not much older than I but he was always well respected and admired for his free-wheeling, knowledgeable way of speaking in the Ontario legislature. I know most of us who have listened to him and read his speeches here are aware of the ability he has shown in this House, too.

Some hon. Members: Hear, hear!

Mr. Whelan: I do not know the hon. member for Trois-Rivieres (Mr. Lajoie) as well, but I have followed his contributions to the House and in committee as long as he has been a member of the House of Commons. I can say that as far as I am concerned he, too, has already made some good contributions and will make more. He comes from an area in Quebec from which many of the French people in my area came when they settled in that great southern part of Canada. Their contributions have been tremendous and will be great for many years to come.

Some hon. members have seen fit to find fault with what the hon. member for Bruce said, particularly his statement that our senior citizens are looked after, better

than any others in the world. One member went so far as to say that all we gave them was 40 cents a month or a total of $80 a month. Mr. Speaker, hon. members know that is wrong.

An hon. Member: They know you are wrong.

An hon. Member: It is 42 cents a month.

Mr. Whelan: They know very well that with all the other benefits given to senior citizens, such as the supplement, the right to free hospitalization, free medicare, free dental care, free glasses, free drugs and low cost senior citizen apartments, if they can prove their need, that these senior citizens are better off than any others in the world. I challenge anyone to prove otherwise. Any politician that tells them any different is guilty of a misdemeanour.

Some hon. Members: Hear, hear!

• (1530)

Mr. Whelan: I might add, Mr. Speaker, that the county of Essex and the city of Windsor, which is the general area I represent, has more accommodation for senior citizens per capita than any other comparable area in Canada. The local municipalities, of course, deserve lots of credit for this, but we must also remember that at least 95 per cent of the money involved in these projects comes from the federal treasury. In many cases the province of Ontario, which administers the Ontario Housing Corporation, does not want to give anyone else credit for this, and acts as if the federal government did not exist.

Some hon. Members: Shame.

Mr. Whelan: That provincial government thinks it is a nation unto itself.

An hon. Member: Shame.

Mr. Whelan: I want to say, Mr. Speaker, that the area I represent is probably the most diversified area that any member represents in Canada. It is the most productive, both industrially and agriculturally, in all Canada. In agriculture, I understand that only one spot in North America is more productive than the area I represent, that other area being the San José Valley in California. These qualities do not mean, however, that my area does not have its problems. I have mentioned the great diversification. Let me refer to some of the people in my area. As I said, the people of my area probably are the most diverse in Canada.

Mr. Haidasz: And they are represented by one of the best Members of Parliament.

Mr. Whelan: The first group of people, who still are an important part of our population, is the French who came first as soldiers and later as settlers. Then, there are the Irish, Germans, Scots, English; later on came the Italians, Slovaks, Portuguese, Lebanese, Hungarians, Poles, Dutch, Roumanians, Russians, Greeks, Yugoslavs, Ukranians, Latvinians, Lithuanians, Serbs and Croatians. You name them, Mr. Speaker, and we have them. Also, Mr. Speaker, this area was the first area which offered freedom for African slaves coming from the nation to the south of us.

Mr. Haidasz: Are there any Conservatives there?

Mr. Whelan: These people came as immigrants, because Canada offered them freedom, as it still does today. There are other groups that I should mention, Mr. Speaker; I know that. We have them all and we are proud of them. They are the main reason for our productivity. They like the freedom and opportunities Canada offers. They know you can get on if you want to take a chance and accept a challenge. They are doing this every day. In that way, they are taking advantage of opportunities found in Canada.

Also, Mr. Speaker, these same people are involved in agricultural production, and they are very productive. They have brought their abilities with them and their desire to create and produce. However, Mr. Speaker, notwithstanding all these qualities, we must remember one thing. All people, no matter in what part of this nation they reside, whether in the city of Windsor, the county of Essex or elsewhere in Canada, want to be properly compensated for their productivity. You may ask what I mean, and I will tell you. I mean, for the worker, a decent living for himself, his wife and family and, for the farmer, a decent return for his productivity and investment, so that he may obtain the same return as his city cousin. In both instances productivity, whether that of a city worker or of a farmer, must receive a return. Even the Canadian Labour Congress recognizes that those in well organized labour unions have kept ahead of the cost of living but that the unorganized people in most instances have not. The same holds true in agriculture. Some groups have not fared too badly, yet others have not done well even though they have been very productive. Actually, in many instances they have become so productive they have put themselves out of business.

You may wonder how this is possible. Who are some of these people, hon. members may ask? I will tell you, Mr. Speaker, who some of them are. The poultry producers are a perfect example. Look around the country. How many empty poultry houses are there? I am told, and have no reason to doubt the authenticity of the statement, that without much effort we could produce within a year more than double the number of eggs Canadians could eat and more than twice the amount of poultry meat. However, we all know that it only takes overproduction of 1 or 2 per cent to create chaos in the market place as has happened in the past year not only in poultry products but, as well, in pork.

I congratulate the government, Mr. Speaker, for the aid it is giving to hog producers and for the aid it is giving wheat growers who produce grain for domestic consumption. It has been recognized that producers in these areas need assistance if they are to supply the cheapest, high quality food to any consuming public anywhere in the world.

Let us for the moment talk about some producers who are not being looked after so well, and who are just as productive. Let me speak first of those who produce the most nutritious food in the world, food containing more life giving substances than any other food grown by man anywhere. What is it, Mr. Speaker? It is grain corn. In Canada, today, we produce over 100 million bushels of such corn. Not long ago we produced only between 30 million and 40 million bushels. At that time we were not producing enough for our own consumption, and Canada imported every year about 20 million bushels of such corn

from the United States. Even in those years, we always received between $1.50 and $2 a bushel for our corn. That is what it cost our industries to buy American corn, less the refundable 8 per cent duty on imported corn that was manufactured into a product and sent back to the United States, mostly as whisky. I am sorry the right hon. member for Prince Albert (Mr. Diefenbaker) is not here. I think some of that whisky was called Royal Crown Whisky.

An hon. Member: Was it not Crown Royal?

Mr. Whelan: Those factors set the price Canadian producers received for their corn, and they still do. The duty means nothing whatsoever. It only rules the price that Canadian corn producers can get for their corn. Also, it sets the price in Canada of all other feed grains produced and sold in Canada.

You know, Mr. Speaker, I can remember several years ago being told that when we become self-sufficient in corn production in Canada, no more corn will come in from the United States. Well, Mr. Speaker, we are self-sufficient and we are still bringing in cheap American corn, although this year we are bringing in only 8 million bushels. Nevertheless, we are producing a surplus and do not need one bushel of imported corn from any country, let alone from the United States. Eight million bushels out of their tremendous production does not mean any more than a speck of pepper in a manure pile. We do not need their corn here. We should not let it enter this country.

Some will say to me, "You are not a free trader." Mr. Speaker, you cannot import one bushel of grain in Canada, that is other than corn, unless the Canadian Wheat Board issues a permit. I say this is good, and is as it should be; yet, by God, if it is good for the people in the west it is good for us in the east; and if this is free trade, I say, Mr. Speaker, give us more free trade.

Western members should be concerned about this, as well, because these factors have an effect on every bit of feed grain their constituents sell. Also, may I point out that the American protects his market to the tune of a 25 per cent duty, whereas ours is 8 per cent, and most of that is refunded, because the product that is manufactured from corn is shipped to the United States. The American is not a free trader in any product unless he cannot produce it and needs it for his own consumption. Really, the United States is the most protectionist country in the world. Mr. Speaker, if there is to be any real free trade with the United States, let us have it. Let there be real free trade, because we can compete with them in most areas.

I can remember when we used to produce sugar beets in our area for a sugar refinery in the United States. They stopped us from shipping beets to their country because they wanted to protect their own sugar beet growing industry. While mentioning the sugar beet growing industry, I may say I feel it is an industry the government should consider rejuvenating. I can remember that several years ago we lost the last sugar beet refinery in Chatham, Ontario, owned by Tate and Lyle. At that time sugar was eight cents a pound. Today, it is 15 cents a pound. Sugar today is costing the people of Ontario $100 million more than in 1966.

• (1540)

All the producers needed was 10 cents a pound to make it a profitable industry, but because the province would do nothing and we did nothing federally, the foreign-owned company closed down their refinery and we lost the sugar beet industry. Oh, the government bought some of the equipment and paid the farmers some money, but do you know why? The economists told them these farmers could switch to growing corn and still make a living. Corn, Mr. Speaker, was over $1.50 a bushel at that time. Today it is $1.06 a bushel, delivered to the elevator. The corn farmer cannot make any money, the sugar beet industry was lost and the consumer is paying nearly double what he was for sugar. In addition, the Caribbean sugar worker is not a great deal better off than he ever was, which is not what we were told would happen. This is what the economists told us. Some of these same people are still advising the government on what it should be doing about agriculture. I say these people should be fired.

The only ones who are better off are the sugar barons and the refining companies. The government should investigate aiding these people in southwestern Ontario. In rehabilitating this industry, the government should also take some immediate action to aid the corn growers in the same way as they have the milk producers, hog producers and wheat producers because these people are in need now.

I can think of some things that we recommended to this House of Commons and the government at the time I was Chairman of the Standing Committee on Agriculture. That was over six years ago. Yesterday I listened to an hon. member speaking about how we should improve our rail and elevator facilities on the west coast. It may sound strange to hon. members, but when I was chairman of the Standing Committee on Agriculture, we investigated the operations of the Wheat Board. We recommended an improvement in the rail, grain handling and elevator facilities as well as improved port facilities on the west coast. The members of that committee were ordinary members of this House. There were not many members who had a Ph.D. or some other degree. For this reason, I feel that no attention is paid to the suggestions made by members. We know that was wrong. It is very discouraging to be the chairman of a committee which submits a report prepared by 46 members of all parties of this House and find no attention is paid to it.

I also have in my hand a brief from a group of producers concerning the future of the tomato growing industry for canning or processing. Their main concern is imports of cheap tomato paste from overseas countries that have a production cost of about one-third of ours. I am told the canning companies are telling producers they cannot be paid as much per ton as last year, otherwise they are going to import more paste from overseas. We know we cannot compete with tomato paste produced in countries such as Portugal, Roumania, Italy and Spain where labour and other costs are approximately one-third less than ours.

Also, many of our farmers who grow crops for the frozen food overseas markets, especially in Great Britain, stand to lose these markets. This will be a gradual process

most likely, but we can expect acreage cuts in the production of corn and pea for freezing, plus losses in other areas such as frozen french fries, broccoli and so on. Why will we lose these? Mainly because of Britain's entry into the common market. What can these farmers grow in place of these crops? Really, they have not much choice. They can grown grain, corn, or allow their land to remain idle. It is very difficult to explain some of these things to the farmers. I know because I have tried. We always hear a holler from other parts of the country that feed grains must be cheap in order to maintain cheap beef, poultry and hog products. However, never in the history of our country has grain been so cheap and the price of beef so high. Why? Is it the price of corn and other feed grains? No, Mr. Speaker, I have said that has nothing to do with it. It never does, regardless of what the economists tell us. The reasons are simple. First, for increased beef production, one must keep off the market cows and heifers for breeding purposes. Actually, thousands of animals are kept off the market in order to create a shortage. With the increase in population, the demand for beef is there.

Also, scientists have not yet learned how to make a cow give birth to five or six calves at one time. We have not learned how to make cattle as productive as poultry, hogs and so on. Therefore, there will always be a scarcity of beef, no matter what anyone tells us.

Even though either pork or poultry products are cheaper, a large portion of our population who earn high wages or income feel they have the right to eat steaks, roasts, and so on. Therefore, they buy them and, Mr. Speaker, even when one considers their buying power today compared to, say, even 10 years ago, the price of these cuts of meat is not out of balance with what they earn. They take the steaks and roasts home, but leave the chicken, turkey and pork products on the counter, even though in many cases they are as nutritious and much cheaper. Because they are not buying them, a surplus is being created.

If we adopt this attitude, and if the government goes along with it, we do not need an agriculture industry in Canada. We can live on slave-labour produced foodstuffs from all over the world, and maintain our high standard of living at the expense of the poor people. But should we not do that with all other products including manufactured products? Why don't we just let the barriers down and let people in here holus-bolus in the same way as we do tomatoes and many other products. Hon. members know we would have utter chaos if we tried this. We do this in the food business at the expense of a few, not just the producers, but also the consumers. Our whole import-export policy should be changed so that those people who are directly affected have some say. They are sick and tired of being used by the government and other economists as if they were chess players. I might say, too, that since I have been a member of Parliament, which is going on 10 years, I have never known an economist to be right yet. I could go on and on about free trade and who is a free-trader but, Mr. Speaker, I just want to say there is no such thing as a free-trader. It all depends on whose ox is getting gored.

I want to mention several other items. The first one is the new Unemployment Insurance Act and the present controversy that is taking place concerning its administration. I first of all want to say that I believe when one considers all the facts, the people administering this act have done, and are doing, as good a job as anyone could do. I have personally handled many calls from people suffering delays. I have visited the Unemployment Insurance office in Windsor on different occasions to see how it functions. I am confident that these people are doing a good job if one takes all the facts into consideration. Our calls, or, at least, my calls I should say, because my wife accepts most of them at home while I am here, have dropped off sharply in the last two weeks.

• (1550)

One of the things that annoys me about the critics of the plan, the news media, politicians in other parties and some in our own, is that they never tell the good parts in this plan such as increased weekly benefits, such as payments when you are sick, such as payments for women during and after pregnancy, such as payments for those who are unfortunate enough, shall we say, to get hurt on the way to work when they are not covered by their own workmen's compensation plan, and many other benefits which affect many of these people. I am sure that when all is said and done this will be recognized as one of the most efficient plans in the world. Also, I wish the critics would tell the people what a small percentage of the thousands and thousands who are collecting unemployment insurance are suffering inconvenience and unnecessary hardship. Our people in the local offices have worked hard and long to help these people who I believe in the long run are fortunate enough to be entitled to unemployment insurance under a plan superior to anything they have had before.

I want to mention some of the things which have been said about our present immigration legislation and these unseen people who have been quoted in the press as condemning our immigration laws. The writers seem to forget one thing, an important thing as far as I am concerned. It is that in a democratic country the Members of Parliament still have some say about making the laws. We have a fair idea what is going on. We should not be blackmailed into passing any legislation whatsoever, leastwise on the basis of that conservative Sedgwick report. Mr. Speaker, I have never read anything I can remember that contained so many fantasies about immigration and immigrants. I was raised in a neighbourhood full of immigrants of every description, plus the fact that in my family I have a Finnish sister-in-law, a Hungarian sister-in-law, a Roumanian brother-in-law, two German brothers-in-law, a Huguenot sister-in-law and a Scottish sister-in-law and am married to a Yugoslav of German descent.

Some hon. Members: Hear, hear!

Mr. Whelan: I believe I could write a much better report than Mr. Sedgwick has, or at least a more realistic one. While I am talking about immigrants I might refer to some of the things the right hon. member for Prince Albert (Mr. Diefenbaker) said when he went on about royalty, etc. Of the immigrants I know, all want to be recognized as Canadians, not something else, but just Canadians and in most cases they are better Canadians than we are. If we followed the philosophy contained in the Sedgwick report this land would only be for the self-

ish chosen few. As long as I am a Member of Parliament, I will fight this kind of conservatism which we do not need in Canada.

I want to say a few words about pollution, especially international pollution. First, I want to say to the government that it has been foremost in the world in its action and legislation in trying to control pollution in our country. Along with several other members, I attended an environmental meeting in Germany last June attended by representatives from 22 other countries, including some of the most advanced countries in Europe. It is obvious we are a long way ahead of them. Some of them have not even scratched the surface compared with what we are doing in Canada. The area I represent is bounded on three sides by the international border between Canada and the United States. These boundaries or borders are Lake St. Clair, the Detroit River and Lake Erie. I need not say much more than to say I am more optimistic than most of the so-called smart people about this area and the prospects of bringing it back so that man, fish and wildlife can use it again as they did before. We know it is much better now than it was five years ago, but the most disappointing thing is the recent announcement that the United States government has decided to curtail its expenditures on cleaning up the American side of the lakes and river. It is reassuring to hear our own minister in charge of the environment say that the President of the United States will sign an agreement with Canada to expedite this program when he comes here in April.

The Acting Speaker (Mr. Laniel): I regret I must interrupt the hon. member to inform him that the time allotted to him has expired. He may continue only if he obtains the unanimous consent of the House. Does the House consent to allow the hon. member to continue his remarks?

Some hon. Members: Agreed.

Mr. Whelan: Thank you, Mr. Speaker. I thank the members of the House of Commons. Really, when you think of the area I represent, the amount of pollution that is in the water, and of the fact that the Americans, who have only 50 per cent of the right to the water have caused 90 per cent of the pollution in the water, the time for action by them is long overdue. We in our area are sick and tired of their pollution, and the people I know in the United States are sick and tired of the inaction of their government. I might mention sound or noise pollution now. Where I live, I get some of the worst sound pollution from the aircraft using Detroit Metropolitan Airport; Canada is used as a flyway for practically all flights going to the eastern United States. That is a lot of flights because Detroit Metropolitan Airport is one of the busiest in North America. This should be stopped.

Just one or two words about the auto pact. I have expressed my opinion on the auto pact. I was a member when the auto pact was made. I have had discussions with my colleagues in that area and also with the men involved. I feel sure that the auto pact or a similar type of agreement will be made so that the industry will be greater than it has ever been. One should pay attention to what the president of the Ford Motor Company of Canada, Mr. Bennett, said in St. Thomas yesterday. His main concern was not the auto pact but the number of imported cars coming into Canada and the fact that they were trying to compete with these imports. If more Canadians would buy more North American built cars, we would be in a better position.

I believe Canada is a great country. It is a country which has its problems, but if we compare them to those faced by Viet Nam, Pakistan, the Middle East and Ireland, ours are infantile indeed. Our country has a great future. Our people will have an even greater one if the government accepts some of our humble suggestions. Socrates said, and I am talking here about agriculture, and he was, too, that when the land lies barren and those who cultivate it suffer, so do all other ways of life.

Mr. Randolph Harding (Kootenay West): Mr. Speaker, it is a pleasure to have an opportunity to take part in this debate. This is the fourth session of the twenty-eight parliament. We have watched the legislative performance of the government over the past three sessions, and in the current Speech from the Throne we find an outline of the proposed legislation for the present session. On the basis of its performance stretching over three and a half years, and of the proposals we are presently considering, the Canadian people should be in a position to judge whether the present administration has been good for Canada or not. In my opinion, the faith and hope which a large number of Canadians expressed after the 1968 election have been destroyed by the ineffective program and policy of the government. What started out hopefully as a fresh and invigorating approach to our national problems has turned into a nightmare of economic mismanagement for the majority of Canadians.

• (1600)

During the last campaign, the election slogan of the Liberal party was "The Just Society". I suppose a great deal depends upon the definition of what a just society actually is and how it could be attained. In my opinion, any just society should be able to provide employment at an adequate income for all Canadians able and willing to work. It should be able to provide decent and adequate housing accommodation for the people of this nation and ensure all Canadians, especially those who have retired or are unable to work, an adequate standard of living, including full comprehensive health care.

I would suggest there are many other components of a just society in Canada, including the right of every citizen to a good education, the right to live in a clean and unpolluted environment, and the right of ourselves and our children to be masters in our own house, both economically and politically. The just society must surely envisage an equitable tax system and the wise use of our abundant natural resources for the general good of the nation as a whole, and this includes the indigenous groups in our society. Along with these goes the part that Canada should play in international affairs, including our role in assisting the developing nations and the independent role which I feel Canada should play, especially at the United Nations, in the search for world peace.

When I view this Trudeau administration and its slogan of a just society in relation to the several points I have raised, I can come to only one conclusion, and that is that Canada is no closer to the just society in 1972 than it was

when the present administration took office in 1968. In fact, in many respects we are farther from the goal than ever before. I would like to deal more fully with several of the points I have raised to show that this administration's campaign slogan in 1968 of a just society certainly does not measure up to the expectations of most Canadians.

Let us look first at the tragic unemployment situation which we have in Canada. The latest available figures show that up to the middle of January there were 665,000 jobless Canadians. This is 7.7 per cent of the total labour force. The rate of unemployment in the Atlantic provinces stood at 12.9 per cent of the labour force. In the province of Quebec it was 9.8 per cent, and in British Columbia 8.7 per cent. The rate in Ontario and on the Prairies stood at 5.8 per cent. It all adds up to a national tragedy and is a clear indication of the totally inadequate economic programs and policies being followed by the present administration. It is a far cry from the goal of a job for all Canadians willing and able to work.

I would not be so critical of the present administration if our current unemployment problems had been of short duration, largely beyond the control of our federal administration. But this is not so. In 1970 this government deliberately implemented an economic policy aimed at creating mass unemployment. At the time the Prime Minister announced to the country that he was willing to tolerate a 6 per cent rate of unemployment in an effort to beat inflation. He was more than successful in forcing tens of thousands of Canadians out of work, and for several months in the latter part of 1970 inflation was held in check.

But what do we have today, Mr. Speaker? In 1971 the cost of living rose by 5 per cent, the largest annual increase in our cost of living in a decade. Also in the year 1971 we find that the unemployment index is the highest for at least the last 16 years. I do not have the statistics prior to that date. I must point out, however, that increasing unemployment has been one of the main features of this administration since it took office almost four years ago. We find that in 1968 and 1969 the annual average unemployment in Canada was 315,000. In 1970, it was up to 495,000 and in 1971 the annual average showed 552,000 jobless Canadians.

The government has tried to soft pedal the unemployment situation in Canada. The Prime Minister and others in this House have glibly talked about higher than normal increases in the labour force and in the participation rates as compared with the 1963-67 period. A review of the statistics clearly shows that the increase in the labour force for the 1968-71 period is substantially lower than in the 1963-67 period, and the participation rate increase is also much lower. The leader of this group thoroughly squelched this argument by the government when he spoke in the Throne Speech debate on February 18, so I do not intend to cover those points again.

Canada has the largest unemployment rate of any western industrialized nation. Most of the problem can be attributed directly to the programs and policies of this Liberal government. Some of the trouble can be traced back many years to the economic policies adopted by the old line parties at that time. I refer to the established policy of shipping increasing amounts of raw materials out of our country to be processed elsewhere. The failure of successive governments, including the one now in power, to rectify this situation is largely responsible for part of the unemployment which we have today.

There is no sign that this government has learned this hard economic lesson, which has cost Canadians hundreds of thousands of jobs and deprived many of our young talented people of job opportunities in their own country. I am hopeful, however, that at long last Canadians are waking up to the fact that a completely new approach must be taken toward the development of our natural resources. I am certain it will not come from the policies and programs of the present administration, which have given little indication of it over the past three and a half years, or in those measures it hopes to present to this session of the 28th parliament.

I would like to deal briefly with the current unemployment insurance situation and its effect on our unemployed workers. I would say at the outset that I have been able to assist hundreds and have had the full co-operation of the unemployment insurance personnel. I must say that those employed in the unemployment insurance personnel offices in my area, and in areas outside, have co-operated with me fully, and I can certainly commend the work they have done in helping me iron out many of the difficult problems that have been brought to my attention. The administration of the new Unemployment Insurance Act, however, has been anything but satisfactory. Ever since it became law at the end of June, 1971, it became increasingly apparent that the administrative aspects of the legislation had been badly bungled. I cannot agree with those in government who insist that only a relatively small percentage of workers is involved. Most claimants experienced delays far in excess of the promised processing time for claims. A smaller percentage of workers had the misfortune to get really bogged down in the processing of their claims and had great difficulty in getting them straightened out. I know of many claimants who went without benefits for months and in the process suffered immeasurably.

• (1610)

Many workers were forced for the first time in their lives to ask for welfare assistance. They had the humiliating experience of having their credit in the community stopped and the experience of not being able to pay their bills. This administrative fiasco has left many Canadians bitter and angry over the government's administrative handling of the new Unemployment Insurance Act. Every member in this House has experienced similar problems in his constituency. We have found many of the causes for the lengthy delays experienced by the claimants and have passed them along to the department or to the officials concerned. I am certain that the work of the members has assisted in making the new legislation more workable. I trust that the committee which will deal with this problem can come up with some meaningful recommendations to amend both the Unemployment Insurance Act and its regulations. There are several points, however, which I feel should be raised at this time.

One of the main causes of trouble with unemployment insurance claims is the far too complicated application forms. If some mistake is made by the applicant in filling out the form, then the stage is set for a series of lengthy

delays. Claimants generally find the forms difficult, and I feel that the department should try to revise and simplify them. There is an old saying that an ounce of prevention is worth a pound of cure, and it certainly applies to the forms which unemployed claimants have to fill out.

In our area, the department has centralized the records office in Kelowna. There is no quick way for a claimant to get at his unemployment insurance records and set things straight if trouble arises. Why can there not be a central records office in the Kootenays to deal with the workers in our area? I feel that the department is over-centralizing the Unemployment Insurance Commission in the hope of cutting administration costs. There will always be a host of problems with unemployment insurance claims, and perhaps the aspect of decentralizing the keeping of claimants' records should be closely examined to see if changes are warranted.

One of the delaying factors in processing claims is the fact that holiday pay and severance pay must be known before the claims can be properly adjusted. I feel that the act should be opened this session for amendment, and both holiday and severance pay should be excluded as earnings under the provisions of the act. Our party called for this change last June, but it was turned down by the government. Today, however, surely there is enough evidence, now that the act has been in force for eight months, to indicate clearly to everyone that the inclusion of holiday pay as earnings is a backward, regressive and discriminatory measure. I have received numerous complaints and protests from individuals and unions from all over my riding regarding the inclusion of holiday and severance pay as earnings under the new act.

Let us look briefly at the problem. For years, organized labour fought for the principle of holiday pay. It was designed to assist all workers and their families to take an annual vacation. The provisions of the new Unemployment Insurance Act have denied this right to those unfortunate enough to be out of work. I feel that this is a retrograde step, and that this type of discrimination should be eliminated by amending the act. At present, if a workman becomes unemployed his vacation pay benefits must be used at a pre-prescribed rate per week until they are entirely absorbed before the worker can even commence his two week waiting period for unemployment insurance benefits. It is, in effect, a means test.

Vacation pay is really part of the normal wages of a workman and should not be treated any differently from any other portion of an hour's pay. The voluntary or legislated arrangement to save a small portion of the pay for each hour worked and accumulate it for vacation purposes is entirely the business of the person who has earned the money. It should not be subjected to interference by legislation. The law says that the holiday pay of a workman must be accumulated by the employer and paid to the workman either on termination of the job or when the workman takes his annual holiday. Why this accumulated savings for holiday purposes is classed as earnings after a workman's job is terminated is difficult to explain. Not one penny of it is earned in the unemployed period for which it is classed as earnings by the government. It should be 100 per cent applicable to the period in which it was earned, and for this reason should not be used for unemployment insurance purposes.

[Mr. Harding.]

Severance pay also should not be classed as earnings under the act. This is clearly pointed out in a recent CLC brief from which I should like to quote as follows:

> Severance pay, in particular, is paid under various negotiated formulae, dependent upon years of service, and therefore constitutes a deferred payment of wages for work performed prior to the date of separation. It should as we see it, be treated in the same manner as savings which, as you know, have no effect on whether a person receives benefits or not. To deny unemployment benefit payments to a worker who has lost his job and thereby force him for an extended period of time to depend for his income upon his severance pay is tantamount to rubbing salt into a grievous wound.

Severance pay is accumulated savings in the hands of the employer, and I see very little difference between a person putting money in the bank out of the cheque which he earns from his employer and this type of accumulated savings which he receives in the event of the termination of employment. Again I will suggest that the act be amended to remove this type of discrimination which hits hard at many of the jobless Canadians today.

Earlier I spoke about the just society in Canada, and I indicated I was not too pleased with the program laid down by the present administration. I pointed out the trouble which the government has had in the field of unemployment. Frankly, I do not think they have done a good job and I am quite convinced that there are hundreds of thousands of Canadians who feel the same as I do. But there are also other fields which I think we, as legislators, and the Canadian people should look at to see whether this goal of the just society is being achieved and if some progress has been made toward that goal by the legislation and the moves made by this government over the past four years.

Earlier I mentioned housing as being one of the great needs of Canadians. I say without hesitation that this government has failed completely in the field of housing, particularly in providing housing units for those who need them most, namely the under-privileged who live in our cities, those whom we often class as being at or below the poverty line. They cannot afford to buy into those housing units about which the government boasts. We should get to the root of the housing problem in Canada by making certain those who need housing the most get it first. But that approach was not adopted by the government during the past four years. There has been some move toward the setting up of public housing units, but this has been far too little in relation to the need.

• (1620)

All we have to do is look at the recommendations of the task force on housing, a task force which travelled from one end of Canada to the other examining the housing needs of Canadians. Yet we find in 1972 that the vast majority of its recommendations have been completely ignored by the present administration. We all know about the excessive interest rates, excessive land costs, and also about the lack of opportunities which those in the extremely low income brackets have of owning their own homes. Precious little has been done by the government about this problem during the past four years.

Now, I come to the problem of Canadian ownership, the problem of being masters in our own house. What has happened under the Trudeau administration during the

past four years? There is more foreign ownership of Canadian firms than ever before in our history. In the past four years, an additional 200 large firms have been taken over by people who live elsewhere. There is no use kidding ourselves about this matter. Those who control the economy of this country control the destiny of the country. That must be crystal clear to everyone.

There is some reference to the problem of foreign ownership in the Speech from the Throne, but we have no indication what the legislation will be, how restrictive will be its terms, and whether it will be effective at all or not. It breaks my heart to realize that secondary industry has been neglected by scores of past governments. Both the Tories and the Liberals can share the blame for the lack of secondary industry in our nation, for the gradual sell-out of our vast stores of resources to people in other countries, until the point has been reached that Canada is almost simply a source of raw materials for other nations. All this is inexcusable when we find that many of our young people whom we train in our universities cannot get jobs in their own country. This will be a big issue in the coming election. We will demand that steps be taken to repatriate the Canadian economy, to let us be masters in our own house, to let us have the opportunity to make decisions as to whether raw materials will be fabricated here in job intensive industries that would provide hundreds of thousands of jobs for those young Canadians who desperately need them.

What has been done about this matter? There has been very little talk, and absolutely no action to date. But with an election due in a few months time, you can bet that the administration will come up with some kind of program in the hope that it will fool the Canadian people again. I am convinced that far too many of the Canadian people understand the government's past programs, and I do not believe they will be fooled again.

In my view a just society means an equitable tax system. Do we have an equitable tax system in Canada? Last session we passed a tax reform bill. We made some welcome changes. But did we get the equitable tax system that we need to bring about the just society? We did not. I hold in my hand a table of statistics produced by an ex-cabinet minister, showing the type of taxation that has existed here for years and that has not been corrected. The facts would be most unpalatable to the Canadian public if they knew them.

With respect to mineral fuels, companies engaged in this section of the mining industry made book profits of $795 million during the period 1965 to 1968. The oil companies are practically all foreign controlled, and they paid taxes on only 5.7 per cent of their total book profits. Out of $795 million book profits they paid taxes on only $45 million. Is this an equitable tax system? Why does the government insist on catching those in the middle income tax brackets, taking hundreds of dollars out of their cheques every payday? These oil and gas companies will pull out of Canada once our resources are depleted. Has the government been on guard for Canadians in this respect? It is utter nonsense to say it has. Metal mining in the same period 1965 to 1968 showed book profits of $1,707 million, and paid taxes on only $222 million, at a rate of 13 per cent. Yet the government talks about the just society. I say you need an equitable tax system if you are to have a just society in Canada.

My time has almost expired, Mr. Speaker. Several other matters that I wish to deal with, including the environment, I will cover at a later date. I trust that when this debate is finished and legislation is introduced based on the suggestions in the Speech from the Throne, the government will be willing to accept good amendments to its bills because I am certain many of the bills will desperately need amendment.

• (1630)

Mr. D. Gordon Blair (Grenville-Carleton): Mr. Speaker, first of all I wish to congratulate the hon. member for Bruce (Mr. Whicher) and the hon. member for Trois-Rivières (Mr. Lajoie), the mover and seconder of the Address in Reply for their interesting and invigorating speeches. I fear that the balance of this debate may not have lived up to the standard they set because it seems to me to have followed the traditional pattern of Throne Speech debates, that is, the government and all its works are praised by members on this side of the House and there is nothing but condemnation and negativism from the other side. I think the people of this country would be happily surprised if this rigid pattern were broken one day. I speak for only one constituency in this debate and it is my intention to break away from the pattern because the things I wish to speak of on behalf of my constituents are in the nature of criticisms and critical comments on government programs.

First of all, Mr. Speaker, it is my duty to speak to the House about the issue which above all others is most widely discussed and is the subject of the greatest controversy and concern in my riding, that is the application of the bilingual program of the government to the Public Service of Canada. This program is discussed almost as if it existed in two separate worlds in this city. On one side, there is a thin veneer of high officials, of pundits in the media and others to whom this program appears to be highly successful. An air of euphoria seems to float over their discussion of the program and, indeed, it is regarded by many people on this side almost as an act of ill-will and malice to utter any criticism of it.

On the other hand, and I regret to say that the group of which I now speak is in the majority, are the large numbers of members of the public service and the public in general who are increasingly expressing concern about the implications of the program and the manner in which it is being applied in practice. These people see evidence which cannot be denied that the program in their opinion is not satisfactory. This great gap exists in discussions in this city and is very rarely bridged, although it was bridged to some extent by the interesting comments on the subject by the Official Languages Commissioner in his first report.

It is my contention, Mr. Speaker, that the problems created by the application of the bilingual program are serious and that they cannot be ignored by this Parliament. We are entitled to ask ourselves why these problems have developed and what constructive and positive steps we can take to alleviate them. We were all here three and a half years ago when the Official Languages Act was passed in an atmosphere of outstanding good will and

with a heavy commitment to future good relations in our country. The program was supported by the leaders of all parties, and indeed by all parties and all sections of public opinion. What we sought to attain was a degree of bilingualism under which it should be possible for citizens, whether English or French in origin, to approach the federal government in their own language. I think that no one then or now would detract from the propriety of that objective or from its importance in terms of the survival of this nation and its equal importance in terms of the achievement of fairness in the lives of members of both linguistic groups living in this country.

I have to report that the attaining of the objective is now threatened because of the means adopted in going about it. As a member representing a public service constituency, and one close at hand, I see much evidence of growing discontent with the policy. For example, a year ago I circulated a large questionnaire in my constituency, large in the sense that over 25 per cent of all households responded. One of the questions I asked was "Are government policies regarding bilingualism generally satisfactory"? Only 1,827 people responded yes, and more than double that amount, 4,022, responded no, while 1,833 were undecided. The questionnaire was returned with many comments written by constituents. It was then made obvious to me, even more forcefully than before, that the bilingual policy of the government was not only misunderstood but was regarded as being wrong in many aspects of its application.

In my own area I have sought to be as good a representative as possible in terms of meeting the people. Since I am close at hand, I have been able to conduct a large number of public forums to keep in rather close and constant touch with my constituents. I have found, particularly in the last year and a half, that the first and indeed sometimes the only subject which is raised in my frequent contacts with my constituents is bilingualism. I am always in the position of explaining, defending, commenting, criticizing, informing and reporting on this subject. I have tried to walk what I think is a proper line and not fall into the trap of condemning every new movement out of hand nor, on the other hand, of lavishly over-praising things which this government has done. I find that the people I represent have this same concept of a sense of justice and fairness in the application of this policy. The reason it is being increasingly subjected to criticism is that in the opinion of many people it has ceased to be just and has ceased to be fair in some of the aspects of its application.

It is not an easy subject to discuss. Simultaneously I have been accused of almost being a bigot as a result of a public pronouncement and, on the other hand, I was accused the other day by the hon. member for Frontenac-Lennox-Addington (Mr. Alkenbrack) of bowing before some sinister force. But I have tried, and I say this even though the hon. member is not here, to maintain a consistent line in what I have said. My speeches and pronouncements are on record and they have been made over a period of two years. I have sought, and will continue to seek, ways and means of making this policy more sensible, fair and proper in its application.

Mr. Speaker, I have found that this is not a subject which commends itself to discussion in this House of Commons or in its committees. I say that with some regret because I think if we cannot discuss it properly here we are in difficult times. More than a year ago there was considerable uproar in this House about certain aspects of this policy. The question of bilingualism and of the policy was referred to the Standing Committee on Miscellaneous Estimates along with the estimates of the Public Service Commission and other allied organisms of the government. We heard a great deal of evidence in that committee about the application of the policy, and it was highly enlightening and very important. At the end of the committee's hearing of the evidence I made a motion, recorded in proceedings of the committee No. 28 on May 18, at page 22:33 and 28:34. The proposal I made in my motion was that the government be urged to review the policy and to consider seriously making certain changes which I shall refer to a little later. To my great surprise, that motion was declared to be out of order. One could almost hear the collective sigh of relief of the representatives of all parties on that committee, because this meant that the committee was relieved of the responsibility of discussing the matter.

• (1640)

I think we must be prepared in parliament, in a non-partisan way to look at this policy; we should keep it under review and I think that we should remember that if we do not do so, various emotional arguments made against it will escalate. Those who oppose this policy, whether from one linguistic camp or the other, will be armed increasingly in their opposition to it.

I should like to review very briefly, Mr. Speaker, what are the real problems which lie at the back of the present malaise, fear and uncertainty regarding the application of the policy in the public service. First and foremost, is the fact that the pledge which was given by two prime ministers, Mr. Pearson in 1966 and the present Prime Minister (Mr. Trudeau) in 1968, was not realized in fact. They said, in effect, that the career of any public servant who was not bilingual would not be prejudiced by reason of the application of this policy. Actually, this has not happened. The highest organ of the Public Service Commission has said that that is not what the law says. They have said, further, that it does not really matter whether parliament was induced to pass this law by reason of the undertakings given by those prime ministers because they, the appellate organ of the Civil Service Commission, are not bound by these undertakings. Indeed, it is now said that the protection to be accorded to public servants is only this: they will not be dismissed or demoted if they are not bilingual. That is quite different, in my judgment, from the original undertaking which said that their career opportunities would not be prejudiced.

I suspect, as I have contended elsewhere, that our main problems with the policy arise in this area, since there is no right on the part of public servants to appeal against the basic determinations which say that certain posts are to be bilingual. These determinations fall outside the total appellate process. Those who say that there are no real complaints, that there are not a large number of examples of protest against the policy, should also add that there is no way for people affected by it to protest effectively.

This point has been made clear by the leader of the Public Service Alliance, Mr. Claude Edwards, and others.

The second thing which I believe has caused great discontent is this: when the program was introduced, emphasis was placed on the fact that people who were willing to learn the second language would be given an opportunity to do so. I have encountered a number of cases in which people have been actually on a language course or have been striving to get on a language course but, when promotion has opened up above them they found that because they were not then bilingual, they were denied the opportunity for promotion.

The third factor which I think has contributed to our present difficulties is the establishment of what are called target dates for implementation. These target dates appear to be increasingly rigid. There is also confusion on bilingual policy. The policy recommended in the fourth report of the B and B Commission suggested that there should be a greater racial balance in the public service. I am informed by many of my constituents that the problem of the English speaking public servant who is bilingual is compounded because efforts are being made to introduce a greater proportion of French speaking public servants into the public service. There is also dissatisfaction about the test of linguistic ability, and this dissatisfaction expresses itself in two ways. First, there is dissatisfaction with the actual tests themselves. Second, and this is more important, the proper authorities have been unable to fashion tests which are suitable for and applicable to special jobs and categories within the public service. I know that progress is being made in this area, but I think it should be expedited. We have a long way to go.

Finally, there is no body to which a public servant affected by this process can appeal. He cannot appeal against the designation of a job, because that has already been done, and those who say that he ought to appeal are running in the face of reality. He would be appealing against a decision of his boss, his superior authority. Most people in the public service I have spoken to about this feel, I think with justification, that they will suffer if they do so. As I have said, there is no proper appeal tribunal, because the Public Service Commission, to the extent that it might intervene, has excluded itself for the reasons I gave earlier.

What is the result of all this? Unhappily, in this city at the moment there is opposition, fermented by rumour and wild report, against this policy. Admittedly, some people who are unsuccessful in their public service careers use bilingualism as an excuse for their lack of success. Speaking as one who almost daily is in contact with public servants, and who listens to what I consider to be reasonably legitimate complaints regarding the program, I can discount the suggestion that we only hear from incompetents or malcontents. Indeed, what should give us concern is that there are many, many reasonable, fair minded people who are becoming increasingly concerned about the policy and concerned about its application, not only to themselves but to the public service as a whole.

One can ask, what is to be done, Mr. Speaker. I suggest that we do not need to sit here in a state of grave concern, holding our heads in our hands because, in my judgment, some things can be done. Indeed, they should be done now. These matters should not be the subject of a prolonged inquiry on the part of a parliamentary committee, royal commission or anything like that. The report of Mr. Keith Spicer, Commissioner of Official Languages, at pages 92 to 93 provides a proper starting point for a discussion of positive reform. He restated his main points in a speech he made recently at Seneca College. He called attention to what he considers the anguish, fear and concern of public servants who are affected by the policy. He suggests it is rather ludicrous that a policy, which in its inception was designed to become an instrument of justice, now appears to some to be an engine of injustice. He suggests that the policy be applied with greater moderation. He also suggested that three other things be done. I commend these to the consideration of the House.

• (1650)

First, if it is decided a position is to become bilingual, that decision should be made in advance. He suggests this should be done six months in advance of the time that ordinarily the position might become open. This may produce difficulty in some areas, but there is unanimity of opinion among the representatives of public service unions to whom I have spoken that if this scheme of prior designation were really applied, a good deal of the discontent with the policy would disappear. Certainly, we would eliminate this in-fighting that seems to go on in some departments when promotional positions become open and a decision must be made as to whether the position will be unilingual or bilingual.

The second proposal made by Mr. Spicer is this. If a person in the natural line of the progression of his career, and if he otherwise qualifies, becomes eligible for a promotion to a position which has become bilingual, he should be given that position provisionally with a period of time within which to acquire a bilingual qualification. Mr. Spicer suggests a period of not less than 18 months.

Third, he dwells in some detail on the necessity of distinguishing the various occupations and categories in the public service so that the linguistic test will be different and suitable for each category. I am convinced this would open up a great many avenues to public servants and eliminate many causes of the present discontent.

I would make two further proposals. First, there must be some legal recognition given to the pledges of Mr. Pearson and the present Prime Minister. Second, we should carefully consider the establishment of some new type of adjudicative tribunal. Perhaps this could be made up of senior or even retired public servants of a high reputation and long experience. They could review in a broad fashion the careers of people who think they have been affected by this policy. They might also review some bilingual designations of positions, which they think have had an adverse effect.

Looking beyond the confines of this chamber, there are other problems which are becoming increasingly apparent to those of us who live in the capital region. In a sense, the capital region has become the area of experimentation of this policy. If our nation is to succeed with this, we must succeed here. First, many people I have met expressed grave concern over the fact that in the public and secondary schools in this city, in any event those which English speaking children attend, bilingual education is in a very primitive stage. I have long been of the

opinion that because the policy of the federal government has created this situation, we should be prepared to jump over the constitutional barrier and give support to bilingual education in the elementary and secondary schools here. Many people believe that if this were done they would be heartened as to the future and be more prepared to face their own problems.

Second, the increasingly bilingual nature of this city has produced problems in the private sector. The private sector is not like the public sector which has a more tender concern and is bound by statute and moral obligation to look after its employees. I, and no doubt others, have heard of cases where employees have suddenly been dismissed because it has been decided to make this or that operation bilingual. I am told this is true. This question was raised and debated at a public meeting a few weeks ago which was sponsored by the CBC. A number of people have become unemployed because they are not bilingual and now, through the auspices of the Department of Manpower and other federal agencies, are not even able to acquire an elementary language course which might make them suitable for their old career. This type of language training should be added to manpower courses.

My time is drawing to a close. There are many things I could have spoken about such as the problems of farming, recreation and business in my constituency. However, I have spoken as fully and, I hope, as fairly as I could about this supremely important national problem. I believe that if we do not do this properly in the Ottawa region, and if we continue to not recognize the problem which exists, we will create a condition which will become a festering sore in the whole of the country. There is evidence available to me, as I am sure there is to other hon. members, that this is becoming a matter of concern elsewhere in this country. In the application of the bilingual policy, we should recognize that there is a crisis of confidence. There is disbelief, to an alarming degree, about the fairness of the policy. There is a credibility gap in many of the explanations which have been made about it.

I suggest that if the rather modest and sensible proposals made by Mr. Spicer and myself were implemented, we would go a long way towards correcting the grave problems which we face.

Some hon. Members: Hear, hear!

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, may I say at the outset that my participation in the debate could have been improved had I followed the Minister of Regional Economic Expansion (Mr. Marchand). I express gratitude for what he has said. However, flattery is very healthy, except if you inhale it.

I want all hon. members present to inhale at least two words which the Minister of Regional Economic Expansion said with regard to a subject which I have been following closely for over three years. I refer to the situation affecting the Cape Breton miners under the Devco Corporation. The Minister of Regional Economic Expansion referred to my representations. That is right and justified.

I very much appreciate the acceptance by hon. members of a petition put before this House on this subject matter. I also very much appreciate the findings of the Standing Committee on Justice and Legal Affairs which came out with a very favourable and unanimous report with regard to the petition.

• (1700)

The minister having said I was right and justified, and every member here today having received correspondence from me, and not a member in this assembly to whom I have spoken having found fault with the representations I have been making—this includes many members on the government side who have listened fairly to the representations I have made—I feel my action was justified. My timing would have been better had I been able to follow the minister and remind everyone of the remarks he made with respect to my representations as being right and justified.

Of course, my timing might have been even better had I been able to follow up in debate the information made available by the Order in Council passed on December 7 remitting certain taxes to Great Canadian Oil Sands Limited. This is a United States oil company. I say this because the Sun Oil Company of Philadelphia owns most of the capital stock and has provided major production finance. This oil company entered the literary field and immediately produced a best seller—a hard luck story which it sold for $6 million. There is not an author alive who could have done better.

An hon. Member: What about Clifford Irving?

Mr. MacInnis: Even Irving could not have done as well as this. Mr. Speaker, I do not pretend to tell you a story which will bring us $6 million, as much as Great Canadian Oil Sands got for its hard luck story, though I am sure I have a Pullitzer prize-winner here. We can start with the most recent move made by Devco. It is disturbing. It is unfortunate. It will bring about serious economic and social problems in the mining towns in Cape Breton. On Friday last, despite the legislation which has been placed before us, despite the appeals made by many people—including a committee composed of municipal, provincial and union representatives who came to Ottawa within the last couple of weeks—the corporation has again closed a colliery, this time in the town of Glace Bay. I say this is in defiance of the legislation which has been passed in the House setting up the corporation.

I should refer momentarily to the preamble to Bill C-135, an act to establish the Cape Breton Development Corporation. In that preamble the operative words are, "for the modernization and rehabilitation . . . "Mr. Speaker, no attempt whatsoever was made to rehabilitate or modernize. This cannot be denied. The preamble to the legislation goes further. It says the duty of the corporation is to—

> —reorganize and operate the mines with a view to the rationalization of coal production therefrom and the progressive withdrawal of the corporation from such production in accordance with a plan which takes into account progress in providing employment outside the coal-producing industry and in broadening the base of the island's economy.

I say, without fear of contradiction, that the closing of No. 20 colliery on Friday last is in contradiction of the terms of this legislation. The petition placed before the

House, and the correspondence carried on with every member of this House, outlines quite clearly that all I have sought on behalf of the miners of Cape Breton is that which the government itself has undertaken to give but which Devco has never delivered. All I request of the House of Commons is that hon. members stand behind legislation which makes provision for the people of the mining areas of Cape Breton and the general economy of that island, the promises placed before the House in accordance with the terms of that legislation and further supported by the intent announced by ministers while the legislation was before the House.

I understand that all parties are holding caucus meetings tomorrow. I ask all members attending them to make an appeal on behalf of these miners and their families, bearing in mind that the Minister of Regional Economic Expansion, the minister responsible for the Devco organization, has described my representations as being right and justified. I ask them, also, to keep in mind the fact that a United States oil company has just received $6 million by way of remission in taxes. I contend that in justice the Cape Breton miners should be given what is their due. It would amount to a lot less than $6 million and it would benefit between 1,700 miners who are today walking the streets despite the fact that they are still of an age at which they should be accepted by industry, even by government standards.

If members will keep this in mind, they will be backing up the statement made earlier today by the minister responsible when he described my representations as being right and justified. Flattery is healthful, it is said, only as long as one does not inhale it. I would ask everyone to inhale those two words "right" and "justified" and to make representations for the sake of 1,700 or so miners.

All hon. members are aware that a large portion of my appeal on behalf of these men has been based on section 18 of the act. Section 18 makes it imperative for the Devco organization to set up pension arrangements for every person employed by that organization. Again, without fear of contradiction, I say this has not been done. No pension arrangement has been set up for the employees and dependants of Devco. Then I move on to section 18(A)(2), where it is stated that pension arrangements for the benefit of former employees and their dependants should be set up. We have seen some action in this field in recent months, though not to such an extent as to meet the requirements of the legislation.

As I have pointed out, the legislation requires a pension arrangement to be set up for former employees and their dependants. To show how far this corporation has gone, Mr. Speaker, let me say that there is not a dependant of a former employee of Devco receiving anything by way of a pension. The Devco literature itself points this out. On the death of a pensioner, a widow will receive a pension for the month in which her husband dies and the month following, but not thereafter. This is in direct contravention of section 18(A)(2).

Now we come to a most interesting area, the area with regard to which I find myself most disturbed. Many hon. members have heard the representations I have made on behalf of miners who were obliged to use their own UIC fund in order to subsidize their pensions. Mr. Speaker, I shall have to ask hon. members to excuse me because I have used the word "pension". It does not belong in any such context concerning Devco. It is pre-retirement leave. A man who qualifies for old age security benefits does not receive anything from Devco by way of pre-retirement leave pay. But the fact that these miners have been required to subsidize their retirement pay is shameful.

Many hon. members are familiar with the consequences of this subsidization: the matter has been placed before the Committee on Justice and Legal Affairs. I have here a copy of two cheques received by a miner in one month. Each is made out in the amount of 1 cent. If there is any question or doubt about whether these copies are authentic, I will produce the actual cheques. I have hundreds of copies available for any member who may wish to examine them. I can also produce evidence from a number of miners who have received nothing at all.

• (1710)

Here I have two separate cheques, representing one month's allowance from Devco, made out for one cent each. These miners were promised protection when this legislation was passed—but let us see how much protection the individual has had. I can document the evidence I have here; in fact, I will say nothing in this debate that I cannot support with documented evidence. I have before me a report by the Great West Life Assurance Company regarding a small number of employees in the Devco organization who worked on the railway and were given the opportunity of paying into what is referred to as a voluntary contributory pension plan. Let me review the situation of the railway workers under this organization. The railway employees have always worked on a seniority basis. Any man who worked for the railway reaches his best earning years as he acquires seniority.

Here we have the case of a man who had just reached this point and was looking forward to his last five years of service being his best earning years as a result of wage increases and a position of seniority that kept him fully employed every day. He had reached the age of 60 and was paying into the voluntary contributory pension plan which had been in effect only for a short number of years. After his first year he received from the Great West Life Assurance Company an estimate of the monthly pension that he would receive at his normal retirement date. Because this man was in the plan for only a short time, his estimated monthly pension at normal retirement date, which is 65, was $45.34 per month.

But what happened in his case? As the result of an arbitrary decision of the responsible Devco authorities, this man lost five years' work. I appreciate that these officials are no longer with the Devco organization. It took some time to see through their incomptence and inability, and they are no longer with the company. Nevertheless, Blackmore and Ord were responsible for the fact that this man did not get any protection. Although I am grateful that Blackmore and Ord are no longer with Devco, the results of what they did to the miners are still being felt. Today, miners walking the streets in Glace Bay, New Waterford, Sydney Mines, Dominion and Reserve Mines are paying for the sins and maladministration of Blackmore and Ord.

As I was saying, this individual was looking forward to his best five years of employment and was building up a

pension that would amount to the "enormous" sum of $45.34 a month. As a result of the maladministration of Blackmore and Ord, he was compulsorily retired at age 60. Consequently, his contributions toward his retirement were curtailed. So although in January of 1969 he was looking forward to a monthly pension of $45.34 at age 65, at the end of 1970, his first year of forced retirement, his pension was reduced to $32.19. In other words, $13.15 a month has disappeared from this man's pension because he has been forced into retirement. Granted, he was promised protection—and I shall refer to that later. For the next four years this man will receive less as a result of his being forced into retirement by Mr. Blackmore and Mr. Ord—happily no longer with Devco—and the miners of Cape Breton are continuing to pay for their maladministration.

Again I ask hon. members opposite to keep in mind the remarks of the minister that my representations were right and justified. In view of the fact that $6 million has been given to a United States oil company, I appeal to hon. members to give to the miners that to which they are entitled through legislation and the promises made by the minister when the bill went through the House.

If I have not put sufficient appeal into that argument, let me remind hon. members of some of the statements made before the Standing Committee on Justice and Legal Affairs by Devco officials. When they appeared before committee in 1969 they claimed that this position had been accepted by the Cape Breton miners. Let me assure hon. members that that is not so. That is another of the blatant lies told by Mr. Blackmore, the responsible official in the coal division at that time. I say that that is a blatant lie, and I will repeat that statement outside the House of Commons on any platform in Canada, even in Alberta where they will have to suffer him now. I will support that statement with that of no less a person than the Minister of Regional Economic Expansion who has given it to me in writing. The Cape Breton miners today are living with a lie told by Mr. Blackmore. They are living with the maladministration of Mr. Blackmore and are paying a very high price for doing so. I ask hon. members to keep this in mind and to ask the government, on behalf of the Cape Breton miners, for a fair deal.

I said that I would refer to certain statements made before the standing committee by Devco officials. Basically, what I am asking hon. members for is to have this government refund to the miners the money taken from them through the subsidization of their own retirement by the UIC fund. In this connection I refer to section 18(1)(b) of the legislation. Section 18(1)(a)(i) and (ii) call upon the government to set up pension arrangements for all present employees and their dependants. Section 18(1)(b) calls upon Devco to set up pension arrangements for former employees and their dependants, and reads as follows:

> (1) The corporation shall by by-law provide ... (b) for the contributions thereto to be made by the corporation out of moneys administered by the corporation for the operation of the coal division—

That spells out where the pension money is to come from. But Mr. Blackmore and Mr. Ord decided to use the UIC fund. Although I do not have a great listening audience, this is recommended reading and I would ask each and every member of the House to check the accuracy of what I say. Let me repeat that I am going to say nothing that I cannot back up by documented evidence. Page 29 of the sixth report makes it quite clear that Devco admitted the use of coercion to subsidize the miners through the UIC fund. In face of that admission by Devco, and in view of the $6 million remission, how can we deny the Cape Breton miners their rightful benefits under UIC?

• (1720)

At page 29 of the sixth report it is said that they used coercion to get the men to collect UIC in order to subsidize their own retirement. They said that in 1968-69 this plan had been well explained to everybody involved. Why, then, did they say again before the committee, as appears in the sixth report, that they had to take certain questions back to Sydney in order to analyse their position, and they admitted they could not fully explain it in 1971? Again, that evidence is contained in the committee's report.

Why did they say to me on this occasion that I was asking questions on which they had not done enough homework? They were the high-priced help and the administrators of this plan, and they told me that I was asking questions on which they had not done enough homework. I always said that if Mr. Blackmore had hung around long enough I would have had him up on a charge of contempt of Parliament because he told the parliamentary committee that all the unions had been advised on this matter.

I would ask hon. members to read the committee proceedings at page 19. This is the evidence put before the committee by the then chairman of Devco, who said:

> There is no question about that so we will say that if a thing is a *fait accompli*, it is not so much that it is consulting, it is probably telling. That is the whole root of the matter.

The subject matter of that discussion was whether or not the unions involved in this pre-retirement plan had been consulted on the matter. The then chairman of Devco used the expression *fait accompli*. The unions were told of the arrangement after it was agreed to. It was not a matter of negotiation. Yet we have Devco submitting to the committee what they refer to as a pension plan which was available to miners in Cape Breton. They call it the 23 plan. This was never a pension. The miners have never contributed to it, and it was something which the company could have cut off at any time. In fact, the record will show that at the time of the closure of the former Dosco mine, Dosco did cut this off. It was never a pension.

Yet now, when Devco produced their evidence before the committee, they referred to this 23 plan as a pension plan. That is very strange, because on June 20, 1967, the minister responsible for piloting the bill on Devco through the House, Bill C-135, an act to set up the Cape Breton Development Corporation, as recorded on page 1756, referred to this as a gratuity. Those are the words of the minister responsible at the time the legislation went through the House. So how can Devco call it a pension?

I would further substantiate my claim that the legislation under section 18 (1) (a) and (b) has not been conformed with and that the Cape Breton Development Corporation is supposed to conform with that legislation. This is a matter that can be checked out. You can ask Mr. Kent, the president of Devco, what the situation is with respect

to pension arrangements laid down in the legislation of 1967, and he will tell you, "We are now negotiating". They are now in negotiation with respect to pensions covering the employees and their dependants under section 18 (1) (a) and (b). There is no doubt that the legislation has not been conformed with, despite the claims Mr. Blackmore made before the committee. He was then in charge of the Cape Breton Development Corporation, coal division.

I referred to the remark made by the minister regarding the situation in the mining towns of Cape Breton today, numbering in excess of 1,700 men, all of them at an age which would make them acceptable to industry in accordance with government standards. They are now walking the streets, and in many cases they are forcibly retired. I refer to the situation in the town of Glace Bay, where the mine was closed in defiance of the legislation which asked them to rehabilitate and reorganize the mines; and also to statements made before the committee when Devco officials told us that no pit would be closed until alternative work could be provided. The legislation refers to alternative work being outside the coal industry. Yet last Friday Devco announced the closure of the mine in the town of Glace Bay.

What is the situation? The legislation was passed in which it is quite clearly spelled out that Devco was to broaden the base of the island's economy. I buy that—but I also insist that the economy of Cape Breton Island can just as well be broadened from the towns of Glace Bay, New Waterford, Dominion and Sydney Mines as it can be from any other place on the island. I have always maintained that the energy of Devco should be extended in the direction of the town of Glace Bay and other towns on Cape Breton so that they could obtain the protection referred to by the minister who represents Cape Breton Island when he said on June 15, 1967, at page 1579:

—and in the meantime build up alternative industries so that there will be a cushioning effect on displacement and so that the total economy and the total community will be protected.

This is what I referred to as the intent of the legislation, because when the legislation is going through the House and has been studied clause by clause and questions come from the opposition or even from the government side of the House, whether or not a particular clause is passed depends on the answer provided by the minister at the time.

The miners in the community were promised by the minister at that time that their total community would be protected. All that Devco has so far accomplished in the mining towns of Cape Breton is to remove from these towns millions of dollars. The social obligation which was recognized at the time the legislation was passed by the House has been completely ignored. I am hopeful that under the direction of Mr. Kent, many of the evils left behind by Mr. Blackmore and Mr. Ord will be corrected. The fact remains that it will be a long, hard tow because of the fact that good legislation has been completely ignored.

I appeal to members of the House to take my plea into consideration. I can ask for nothing on behalf of the Cape Breton miners and their communities than that which was promised in the legislation. All I ask for is that which was granted by way of legislation and passed in the House. Support such as was given by the Justice and Legal Affairs Committee would require all hon. members of the House to stand behind something that this House has put in writing as a promise to these people and their communities.

I am not asking for $6 million for these 1,700 miners. If you are going to compare hard-luck stories and produce $6 million for an American company, surely you can back up your own words and the words of the minister. We, as Members of Parliament on all sides of the House should appeal to this government to deliver to these miners what they were promised in 1967 by way of legislation. I am not asking for anything more and I would not be satisfied with anything less. Surely on the opposite side of the House there must be somebody who can take up my cause in the Liberal caucus tomorrow, before the cabinet, and plead it on behalf of the Cape Breton miners.

• (1730)

Mr. Deputy Speaker: Order. I regret to interrupt the hon. member, but I must do so to advise him that his time has expired.

Some hon. Members: Carry on.

Mr. Deputy Speaker: I hear hon. members suggesting that the hon. member should continue. Of course, I am in the hands of the House in this regard. However, I wish to indicate that this evening will finish the Throne Speech debate, and there are many members who wish to speak. I repeat that I am in the hands of hon. members. Does the hon. member have consent to continue?

Some hon. Members: Agreed.

Mr. MacInnis: Mr. Speaker, since I am making an appeal as strongly as possible I will not infringe on the good will of the House. I spoke of the pension arrangements provided by funds allocated to the coal industry. I might mention that Mr. Ord said that UIC funds were being used because they were public moneys. This has been denied by the minister in charge of the UIC fund. He has clearly stated to this House that the UIC fund belongs to those who contribute to it. In this respect Mr. Ord was wrong; Mr. Blackmore lied about UIC. I have documentary evidence to that effect.

With respect to the protection of the communities referred to by the minister from Cape Breton Island, I would refer to the minister responsible at the time the legislation was put through who, when asked about the situation with respect to any mining town that may have suffered because of a mine closure and thus had lost tax revenue, said:

This is exactly why we are providing millions of dollars to help develop the industrial basis of these towns.

I am sure that on reflection members of the government and its supporters would wish to see, with respect to legislation passed by this House, that it would deliver to the miners that which is theirs, including the return of their UIC benefits, the setting up of protection for present employees and their dependants and for former employees and their dependants, something which is not evident today despite what was laid down and promised by legislation in 1967. Again, I thank members of the House for their indulgence.

Speech from the Throne

Mr. Stanley Haidasz (Parkdale): Mr. Speaker, I welcome this opportunity in the fourth session of the twenty-eighth Parliament of Canada to participate in the debate in Reply to The Speech from the Throne by congratulating the mover, the hon. member for Bruce (Mr. Whicher), and the seconder, the hon. member for Trois-Rivières (Mr. Lajoie). They performed their task with distinction by appraising frankly the situation in our country and reminding us all of the aspirations, the concerns and the achievements of Canadians and their government under the leadership of our Prime Minister (Mr. Trudeau), who recognizes the changes in modern society and uses his talents and energy in persistently attacking our country's problems to provide a better life for all Canadians. The goal of a just society which he is striving to achieve is our deepest desire, and we wish him success.

The government's record in the first three sessions of this Parliament is an enviable one. I think that all Canadians should be proud of the reform legislation which Parliament has passed to improve the quality of life for all our citizens. I think we should also be proud of our country, rejoice in its great potentiality and be thankful for so many blessings. I agree with those who have stated before me in this House that there is no better country in which to live.

It is my privilege to represent in the House of Commons the people of the cosmopolitan constituency of Parkdale. It lies near the heart of the city of Toronto, on its southern borders, and I am proud of these hardworking, loyal citizens of various cultural backgrounds who through their industriousness are making a significant contribution to the development of Canada. Above all, they cherish the freedom and unlimited opportunities which Canada offers to all who are willing to work for self-improvement.

Many people in Parkdale are new Canadians. Having found freedom and opportunity here in Canada, they have a firm determination to preserve it. Consequently, they have understandable concern about people in other lands who do not share these blessings or who have lost them. At this point in Canada's history and development, the people of Parkdale, along with their fellow Canadians, are working together in that great national effort to develop further the good life in Canada, to promote the principles upon which our confederation is based and to help further develop Canadian identity and strengthen national unity.

The Speech from the Throne has outlined the federal government's philosophy and legislative program for the fourth session of this Parliament. I welcome the philosophical attitude and intentions of the federal government which were stated in the Speech from the Throne, especially in the following words:

> Everyone of us is enriched through involvement in this stimulating process we call Canada. Our goals and hopes are bound up in the restlessness and vitality of this rich land. We in this place have a special responsibility to help bring these goals and those hopes within reach, to make real the Canada of which our forefathers dreamed: a land so large that some of its will remain always serene and unspoiled; a society which believes in the dignity of every single individual; a community which husbands its resources and shares them justly among this generation and those to follow; an enterprise which permits and provokes each Canadian to contribute his skills and his talents. There will be an opportunity in this session of this Parliament to pursue these ends.

[Mr. MacInnis.]

Mr. Speaker, I hope all of us in this House will give most serious consideration to the government's program and, above all, co-operation. I welcome the announcement in the Speech from the Throne of Heritage Canada, the proposed legislation which would set up a broadly-based corporation to preserve individual buildings and sites in areas of historical and natural value that are regarded as nationally significant. Heritage Canada will add a new dimension by involving individual Canadians who are becoming increasingly aware and interested in preserving their historical, architectural and natural heritage. Heritage Canada will be launched with the aid of a generous federal endowment grant to give it a start, and the private sector will have a major role to play in it. Specifically, its aim is to enable anyone anywhere in Canada interested in preserving our historical and natural heritage to play a part in discharging a national responsibility.

Our cultural heritage is a vital part of the quality of our life. We must not only preserve it but make it available to all Canadians. Lack of knowledge about the culture and history of the various groups that make up our population has had more to do with dividing us than any other single factor. Historic sites and monuments, historic parks and museums enrich the quality of Canadian life and strengthen the fibre of national unity. Such endeavours will teach us who we are. Communication and understanding are essential in a pluralistic society like Canada. We should do everything possible, therefore, to deepen that communication and understanding which I believe are essentially to greater appreciation of one another. This type of Canadianism is the foundation of the federal government's policy on multiculturalism so enthusiastically received by all the ethnic cultural groups in our country. I urge the government to allocate all the necessary resources to make these programs successful.

• (1740)

In the Throne Speech, Mr. Speaker, the federal government stressed the importance of economic security as one of the most effective forces with which to counter social isolation. It stated that more job opportunities must be found and income uncertainties overcome if all Canadians are to share the richness of this land. We welcome the government's statement that the attainment of such an economy and increased employment has a very high priority in its programs.

At this time I should like to emphasize to all hon. members that the Employment Support Board Act which was passed in this House last September, in the last three months of 1971 saved approximately 7,700 jobs; the Opportunities for Youth program last summer provided 30,000 jobs and the Local Initiatives Program, initiated a few months ago, has already created 90,000 new jobs. This means that real and effective steps have been taken to find jobs for our rapidly expanding labour force which encompasses Canadians from age 14 to 70.

I agree with the government that our economy is dependent, as are the economies of other countries— especially those that are highly industrialized—on research innovation. We welcome the remarks of the Minister of State for Science and Technology (Mr. Gillespie) a few days ago when he outlined for us the government's program to improve research facilities in our industries.

Mr. Speaker, it is imperative that our industries be given more assistance and incentives to further increase their productivity and competitive position. A major factor in the strength of the Canadian economy is provided by exports. Although the government has in the past amended the export credit legislation, it should improve this legislation and develop programs which will help to sell more of our products throughout the world. This will also require the government to take bolder steps to strengthen our secondary industry.

In view of our rapidly growing labour force we must not become complacent even though the United Nations organization for economic development and other financial bodies have stated that Canada's economic performance is outstanding and that our industrial output has grown faster and prices have risen slower than in any other democratic country in the world. True, our dollar is strong. True, our economy is growing rapidly. However, inflation and prolonged strikes, if allowed to continue, especially in essential services, can endanger our economy as well as inconvenience the public.

At least twice a year in my regular report to the people of Parkdale I have included a questionnaire to ascertain their views on some urgent and important matters. The majority of those who replied expressed themselves in favour of some form of control of prices and wages to fight inflation, and also favoured compulsory arbitration in labour-management disputes especially where they concern essential services or the public sector. Recently, a prominent labour leader in the United States admitted that strikes are outmoded and that better ways should be adopted to solve labour-management disputes. People today appear willing to submit to controls and other restrictions in order to ensure a stable economy and to protect their jobs. We must protect the savings of our people, especially those living on fixed incomes, such as our senior citizens. I urge the federal government to fight inflation without producing unemployment.

Mr. Speaker, I think that most Canadians would agree that a major economic problem in Canada today is cost-push inflation, where increases in costs have exceeded increases in productivity. The schizophrenic state of our industrialized society, where big unions and huge corporations compete for survival alongside unorganized workers and small businesses, has contributed to inflation and especially to an economy which has been very difficult to manage with traditional economic theories and tools.

Today new theories and tools are needed. I believe this is a top priority need to which our government should give attention. This may mean a real change and, therefore, essential adjustments may be required in our life. It would be rigidity or stupidity if those responsible should refuse to make the changes and adjustments which are necessary to ensure an economy that would lead to full employment and, if possible, zero inflation. We should adapt to change more quickly. Our failure to do so will serve only to perpetuate chaotic economic conditions. Of course, we should not be so naive as to believe that these changes and goals can be achieved instantly. Any opposition party spokesman who promises to perform instant miracles is irresponsible and should not be trusted.

I also urge the government to protect the economy and consumers from the real causes and harmful effects of labour-management disputes. The right of an individual to bargain for his conditions of work and withhold his labour is part of the philosophical basis of the free enterprise economic system. However, we must always keep in mind that the concerted withholding of labour by employees as an economic weapon to pressure employers to accept their demands always has an indirect and adverse effect on the suppliers and consumers of the product or service. Moreover, when the effect of a strike is to deprive the public of an essential service for the carrying on of day-to-day living or to withhold from the public a convenience or essential service which is paid for by it through taxes, the public usually regards this as unfair or intolerable and pressures the government for protection and restoration of order.

Strike action, most of the time, benefits no one. Wages are lost, production comes to a halt and consumers who depend on the services or products are adversely affected. A strike is expensive to all concerned, including the innocent consumer. This is even more true when public servants withhold their labour. Those who accept employment with the government have a special responsibility to the public for whom they perform services.

• (1750)

Governments at all levels, and their agencies, Mr. Speaker, should devote more attention and resources to the problems of our retired citizens. More and more people are retiring at an earlier age, and retirement brings on personal and social problems. One solution to the personal problem faced by many older people trying to lead a useful and challenging life is to provide them with opportunities to help solve the problems of our society. The Canadian Executive Service Overseas program, under the sponsorship of the Department of External Affairs, is a step in the right direction.

I should like to take this opportunity, Mr. Speaker, to express our appreciation to the former minister responsible for urban affairs who has done a great deal to produce more housing and has come to the assistance of our cities in an imaginative way. In 1971, 220,000 housing starts were achieved, which is a record in our history. In the past three years of this Liberal government, more low-cost public housing was built than in the previous 20 years. But our government will not be resting on its laurels. It announced in the Throne Speech that it will be proposing to Parliament fresh concepts and continuing research in neighbourhood improvement, with emphasis on the need for low-cost housing.

I wish the Minister of State for Urban Affairs (Mr. Basford) success in his new responsibilities and ask him to seek closer liaison with our rapidly growing cities. A fast-growing city, like my native metropolitan Toronto, encounters many problems and has many special needs. There are projects in Toronto involving the waterfront plan, metro centre, transportation and improved airport facilities which need major attention by the federal government. People in Toronto are asking for lower air fares, landing rights for more transatlantic air carriers and an early decision on a second airport to better serve the area's air travelling residents. I repeat my appeal to the Minister of Transport (Mr. Jamieson) to give these matters his urgent and favourable consideration.

We can proudly say, Mr. Speaker, that in instituting social justice our government has made sure that the health of our people receives top priority—for without health of mind and body, nothing can be realized. We can proudly say that Canada has made great progress in improving its health and welfare system, especially since 1957, with the introduction of hospital insurance, followed by medicare, the Canada Pension Plan, the Canada Assistance Plan, youth allowances, the guaranteed income supplement, many consumer protection laws, new drug programs, restrictions in the use of DDT and phosphates, the Canada Water Act, the Clean Air Act, the day-care centres program and many other programs. The budget for the Department of National Health and Welfare alone for the next fiscal year is $3.8 billion, and I believe that this sum will go a long way to improving still further the quality of life of our citizens.

Last week the Minister of National Health and Welfare (Mr. Munro) announced a new program in the House to combat narcotic addiction and the misuse of stimulant drugs. If this program is to be successful, it must be properly enforced. Methadone maintenance and amphetamine restriction programs are a fairly good beginning in the national effort to control drug abuse. I hope the minister will soon give his further attention to the other recommendations in the policy statement of the Canadian Medical Association issued on February 14, and particularly to that statement which said that the drugs most extensively used and most frequently misused today are alcohol and tobacco. Programs and necessary legislation to deal with these problems should be developed in co-operation with provincial health authorities without delay. The increased incidence of venereal diseases should also receive greater attention by governments at all levels.

Canada's number one killer, Mr. Speaker, is cardiovascular disease. In 1971, about 77,000 Canadians died of various forms of cardiovascular disease. Last year, heart attacks and strokes alone accounted for 50,000 deaths in Canada; yet only $5 million was spent on research in these diseases. Of that total, only $1.5 million was contributed by the federal government. I therefore wish to renew my appeal to the Minister of National Health and Welfare to launch a full-scale national attack on cardiovascular diseases. The minister should allocate more financial resources to increase research in this field and to assist the provinces in the provision of better emergency treatment and long-term care in the areas of heart disease and strokes. Also, he should help in launching a campaign for the education of the public.

In conclusion, Mr. Speaker, I wish to say that the Speech from the Throne has clearly outlined our problems and our goals. It has also announced remedies and means to deal with them. I hope that Parliament will act responsibly and support the government's proposed legislation so that the quality of life for all our people may be further improved.

[*Translation*]

Mr. Godin: Mr. Speaker, may I call it six o'clock?

[Mr. Haidasz.]

[*English*]

ROUTINE PROCEEDINGS

CANADIAN CONSTITUTION

APPOINTMENT OF JOINT COMMITTEE OF THE SENATE AND HOUSE OF COMMONS—TERMS OF REFERENCE

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, may I have the consent of the House to revert to motions in order to bring forward the terms of reference for the special joint committee on the constitution? This motion has been cleared by all the parties and its purpose is to set up, or reconstitute the committee so that it may make its report to the House at an early date.

Mr. Deputy Speaker: Hon. members have heard the minister. Is it agreed that the House revert to motions in order that the minister may move his motion?

Some hon. Members: Agreed.

Mr. MacEachen moved:

That a special joint committee of the Senate and of the House of Commons be appointed to examine and report upon proposals, made public, or which are from time to time made public by the government of Canada, on a number of subjects related to the constitution of Canada during the course of the comprehensive review of the constitution of Canada, which review was agreed upon at the Constitutional Conference of the Prime Minister of Canada and the Premiers and Prime Ministers of the provinces in February, 1968, and alternative proposals on the same subjects;

That the committee have power to appoint, from among its members, such sub-committees as it may deem advisable or necessary;

That the committee have power to sit during sittings and adjournments of the House of Commons;

That the committee have power to report from time to time, to send for persons, papers, and records, and to print such papers and evidence from day to day as may be ordered by the committee;

That the quorum of the committee be 17 members, whenever a vote, resolution or other decision is taken, as long as both Houses are represented and that the joint chairmen be authorized to hold meetings, to receive evidence and authorize the printing thereof, when 7 members are present so long as both Houses are represented;

That the papers and evidence received and taken on the subject in the second and third sessions be referred to the committee and made part of the records thereof;

That the following members be appointed to act on behalf of the House of Commons on the special joint committee, namely: Messrs. Alexander, Allmand, Asselin, Breau, Brewin, De Bané, Dinsdale, Fairweather, Gibson, Gundlock, Hogarth, Lachance, Laprise, MacGuigan, Marceau, Marchand (Kamloops-Cariboo), McQuaid, Osler, Prud'homme and Rowland.

And that a message be sent to the Senate requesting Their Honours to unite with this House for the above purpose, and to select, if the Senate deems so advisable, some of its members to act on the proposed joint committee.

Motion agreed to.

Mr. Deputy Speaker: It being six o'clock, I will now leave the chair to resume same at eight o'clock.

At six o'clock the House took recess.

AFTER RECESS

The House resume at 8 p.m.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed, from Monday, February 28, consideration of the motion of Mr. Ross Whicher for an Address to His Excellency the Governor General in reply to his speech at the opening of the session.

[*Translation*]

Mr. Roland Godin (Portneuf): Mr. Speaker, in the speech he delivered on February 18 last, the Prime Minister (Mr. Trudeau), who obviously wished to defend his government subjected to attacks from all sides, did not spare any effort to make us believe that all is well in Canada. He even quoted some statistics to show that Canada had created more jobs than seven European countries put together: France, Germany, Belgium, Italy, the Netherlands, Sweden and the United Kingdom.

Everybody will agree with me that it is relatively easy to create thousands of jobs when thousands of workers are unemployed. But in countries with a low rate of unemployment and a small labour force, the task becomes more difficult for manufacturers.

On page 10 of the Economic Council of Canada report entitled "Performance in Perspective 1971" there is a comparative table of unemployment rates in certain OECD countries. Of all the countries mentioned, Canada has the highest rate.

For instance, in West Germany, the unemployment rate is only 0.6 per cent, whereas it is 5.9 in Canada—those are the figures for 1970.

In Japan, the unemployment rate is only 1.2 per cent, and in France, 3.3 per cent. Even in Italy, it is only 3.5 per cent, whereas it is 5.9 per cent in Canada.

So when the Prime Minister wants to make comparisons with European countries in the matter of unemployment, he should tell the whole story and quote the statistics which show that the unemployment rate is higher in Canada than in any European country.

In our country the current unemployment rate is increasing among workers of all ages and both sexes. For workers between 25 and 44 years of age, it has gone up from 93,000 in 1965 to 157,000 in 1970. For workers between 45 and 64 years of age, it has risen from 70,000 to 106,000 over the same period. As I said, this phenomenon can be observed in the case of women as well as men.

Despite the Prime Minister's effort, despite the ministers' making presents right, left, and centre in order to create thousands of jobs, the unemployment rate goes on increasing in Canada, for young people between 14 and 24 years of age as well as for workers 25 years old and over. The unemployment rate has been increasing constantly since 1968—the date at which the present government came to power.

In that connection, here are some statistics from "Manpower, December 1971." The publication contains a table indicating the average unemployment for Canadians from 14 to 24 years of age. In 1968, the average was 6 per cent; in 1969, it was 5.9 per cent, for 1970, it was 7.7 per cent and for 1971, it was 8.8 per cent.

Mr. Speaker, if the increase in the rate of unemployment is higher among young people, it remains that it is generalized. Unemployment is like a cancer undermining the whole Canadian society, and in my opinion, had the prime minister consulted his immediate advisors, it is likely that the whole content of his speech would have been changed. Many ministers of his Cabinet are perfectly aware of the situation.

First here is what the President of the Treasury Board (Mr. Drury) said at Jasper on February 1, 1971, as reported by the Canadian Press:

> The federal government has agreed to work out a program to deal with unemployment which will probably be very high next winter, stated yesterday the president of the Treasury Board, Mr. C. M. Drury.

As for the Minister of Manpower and Immigration (Mr. Mackasey) he was also forecasting unemployment and, for a wonder, he foresees even more during the next winter.

Mr. Speaker, I was sorry to learn that the Minister of Manpower and Immigration had to be hospitalized. I therefore take this opportunity to wish him an early recovery.

• (2010)

Be that as it may, here is what *Le Devoir* of February 10th last reported with regard to the minister's statement, and I quote:

> 665,000 unemployed in Canada, 233,000 in Quebec, (that is over 35 per cent of the total number)—and that is not all: the federal Minister of Manpower, Mr. Bryce Mackasey, thought it wise to warn us that the situation would go from bad to worse in the coming months!

Mr. Speaker, the hon. member for Stormont (Mr. Lamoureux) the Speaker of the House of Commons, member elected under the Liberal ticket in 1965, stated at a public meeting held in his riding that 19 per cent of the workers were unemployed, and we know that his riding is represented in the Ontario legislature by a Conservative minister. In spite of that, in the spring of 1971, unemployment in Stormont went up to 19 per cent.

The Prime Minister did try to have the people believe that there was no discontent. I can assure the House that the unemployed workers themselves realize this winter that they are left behind. For those who are the victims of unemployment in Canada at the present time, this is a real tragedy, a situation worse than any other up to this day.

Personally, I spent half the adjournment period—and I presume that most members did likewise—trying to untangle the difficulties involving the Unemployment Insurance Commission. Due to the constantly increasing number of unemployed workers, the officials of the Commission are overwhelmed with work and in spite of their good will and their overtime, the situation remains the same. In my opinion, the worst backlog is with respect to claims covering periods of illness. In addition, the staff dealing with claims in insufficent, and I think that this government should give particular attention to this problem.

Even though the Speech from the Throne is full of optimism, even though the Prime Minister says that every-

thing is fine in the best of all worlds, there still remains the fact that it is with pessimism that experts in international trade view the years ahead. Here is what the Secretariat of the General Agreement on Tariffs and Trade (GATT) thinks about prospects for 1972, according to a dispatch from Geneva:

—the increase in international trade exchanges will not be higher in 1972 than in 1971, that is five per cent, a much lower proportion than the average for the sixties.

As for the reasons behind our trade difficulties, Mr. Speaker, we can summarize them quite easily.

In the first place, Canada has to export a number of products of all kinds; raw materials, finished and semi-finished products. Our country must export much more than it imports because it must pay for the services rendered by other countries.

These services include the interest on money Canada borrows abroad. Then, Canada has to pay for transportation of its imports and exports because we have no merchant marine. We must therefore charter foreign ships to transport our products. Finally, Canadians travelling abroad spent more than tourists visiting Canada. These are the reasons for our services dificit, that is why, even when our trade balance shows a surplus of some $400 million for the last quarter of 1971, our deficit in the service sector was over $600 million, leaving a current account deficit of some $200 million.

That is one of the reasons why we should strive, without resorting to foreign capital to develop our natural resources and ensure the expansion of our industries. We could then consider giving Canada a merchant marine enabling us to transport our products while providing work to our dockyards and a host of related industries.

• (2020)

Mr. Speaker, another sector where economic activity should be followed closely, I suggest, is home construction. There is a shortage of housing and we know that throughout Canada the slums should disappear. We know that home construction is an important factor at the manpower level.

It is no secret that the financing of housing at acceptable interest rates would help this branch of our economy. The government, which helps some foreign countries by granting them loans at low interest rates, should also help the Central Mortgage and Housing Corporation with the same conditions. The corporation could thus meet the requests of customers interested in things other than the exorbitant interest rates charged at present which has a workman who gets one of these loans to repay the cost of three houses in the following 25 years: one for the principal and two for the interest.

So, to reactivate home construction, there is no need for miracles; it would be enough to do for Canadians what we do for foreigners. As the 11 per cent tax on building materials is never charged on products sold to foreigners, I suppose it would be normal for this tax to be removed for Canadians also and replaced by a 10 per cent discount on materials sold inside our country.

Mr. Speaker, I have the conviction that it is possible to meet the needs of Canadians. Even though I am known in the House as a Social Credit Party member, the fact

remains that I am aware that poverty exists in our economic system and that we must eliminate or at least alleviate it.

First of all, with regard to the problem of poverty, one must ask oneself if it truly exists in Canada. A national product of $90 billion in 1971, for a population of 21,500,000, meant $4,300 per person. And we can only repeat that, if poverty exists, it is poverty in the midst of plenty.

According to the data published in the 1970 Canada Yearbook, our country is the second largest in the world, the largest in North America, and the world's largest nickel producer. In 1969, 25 per cent of the total production of zinc of the non-communist world was produced in Canada.

In 1969, Canada was the second largest molybdenum producer, after the United States. It was one of the five largest cobalt producers. It accounted for 70 to 75 per cent of all exports of asbestos and 35 per cent of the world's production. Canada was the largest producer of potassium and the most important producer and the first sulfur exporting country in the world.

Canada is also one of the three most important fish exporting countries. Because it is seen as a very important producer of grain, Canada is called the "granary of the world". Mr. Speaker, the list of our country's achievements is a very long one and its potentiality is unlimited.

If, as a governing body, we give the people the means to obtain all that they need to subsist, there will be no longer any problem of poverty.

Mr. Speaker, in the last few years this government has introduced many projects designed to boost our economy. It went as far as loaning money to the Chinese so they could buy our wheat. They obtain loans on fairly long terms and then they buy from us the wheat they will be eating during the forthcoming 24 month period.

Millions of dollars are handed over to France so that they may have their boats built in our shipyards.

In order to restore our economy, Canada has been subdivided into "special" or designated areas. Last year, I was with a group of visitors travelling through Manitoba and Saskatchewan and I discovered that the majority of the people we met were convinced that the Prime Minister was responsible for the current economic crisis prevailing in the Western provinces because he, being a French Canadian, was channelling all the funds into Quebec. This is what they think over there.

The same situation prevails in the Maritimes. As a member of the Committee on Transport and Communications, I have had the privilege of visiting this other part of the country, and almost all of the briefs submitted on that occasion by the Chambers of Commerce, the various social agencies and the governing bodies of several cities, would wind up with this particular sentence:

"Gentlemen of the government, you are treating us shabbily because we are far from the capital, and we know Quebec would not accept such a situation."

So, Mr. Speaker, in the view of the citizens of the Maritime provinces and those of the Canadian West, Quebec gets very good treatment. Quebec is favoured but is well aware that many of its citizens also have financial problems.

Throughout all this, the Canadian government has commandeered quite important groups to analyse the situation. Among these agencies is the Economic Council of Canada, which, in December 1964, submitted its first review entitled "Economic Goals for Canada to 1970".

That agency's second annual review was published in December 1965, entitled: "Towards sustained and balanced economic growth".

In November 1966, another review was produced on "Prices, Productivity and Employment".

In September 1967 a review by the Economic Council of Canada was published, entitled "The Canadian Economy from the 1969's to the 1970's."

In September 1968, another review was published, entitled "The Challenge of Growth and Change."

In September 1969, another review was published to make us aware of Canada's perspectives for 1975.

Mr. Speaker, all these reviews produced by the Economic Council of Canada having failed to make a meaningful contribution to date, are now making proposals for 1975.

Mr. Speaker, without knowing them, I am convinced that those who are responsible for the Economic Council of Canada make comments on coming years simply because they know they will no longer be there then.

Study No. 17 of the Economic Council of Canada was presented in November 1967, and was entitled "Economic Cycles in Canada." On page 25 of that report, we read, and I quote:

> The identification of the "reference" cycle is based on the overall performance indicated by the "peaks" and and the "troughs" of the "particular cycles" . . .

Further on, we read this:

> The period between the trough or lowest point in a reference cycle and the peak or highest point of return is generally known as "expansion". The period between a peak and the following trough is called a period of "contraction".

On page 23 of the same report, Mr. Speaker, we find something fantastic, and I quote what its authors had to say:

> In length, economic cycles can vary from over one year to ten or twelve years;

Mr. Speaker, after reading that report, one can assert that the Pharaoh's economists mentioned in the Bible were surer of themselves than the economists who now surround the Prime Minister. You will recall that the Pharaoh had been warned that there would be seven years of abundance following seven years of famine. That was clear.

Today, in this country, to justify poverty in the midst of plenty, the economists take no chances. In fact, the economists surrounding the Prime Minister state in their reports that:

—economic cycles may vary from one to 10 or 12 years.

Mr. Speaker, to suppress hardship, poverty and insecurity among the Canadian people, certain measures are required. Those measures must of course be somewhat different from all that is being done at the present time and that has led the people to this imbalance to which we are referring and that we want to correct.

To get off the beaten track, Mr. Speaker, it has to be conceded that the situation is not what it was 75 or 100 years ago. It has to be conceded that following the technological revolution man, as a worker, is more and more replaced by the machine. Anyone who reflects upon the progress of machines which keep increasing in number must logically conclude that our civilization is heading toward the establishment of a system where, on the one hand, human labour tends to decrease constantly and to be replaced by machines while on the other production has a tendency to increase indefinitely.

Now, these two logical consequences of technology are in the present state of the economic system quite incompatible.

Man can get products—even if they are in great abundance—only by working but at the same time machines are taking jobs away from him, hence the infernal cycle of economic crises, unemployment and unfortunately, wars which find there one of their main causes.

• (2030)

It is in time of peace that we discover more easily the victims of our present system because the whole production is directed toward regular consumption.

Since workers have less and less to do in the manufacturing of products, fewer and fewer products are sold while there are more and more unemployed.

So there is only one way out: to get rid of that economic rule whereby every product must have a commercial value and to admit that some products may be depreciated, in other words given free of charge.

Some hon. Members: Here it comes.

Mr. Godin: The minimum living wage is a necessity. Our country has and will have at its disposal more and more means of living that were inconceivable at the time of the ox plow.

It has been said time and again that the machine has to serve man and not the other way round. One infallible way to put automation at the service of man is to distribute profits equitably. It is as clear as that.

Without raw materials and natural resources, a country is at a disadvantage. However, we Canadians are blessed in this regard for we are amply endowed with both.

Some hon. Members: Now, he is coming to it.

Mr. Godin: We also have an adequate transportation system, highways, navigable rivers and railway and air transport systems that can be improved if necessary.

When we consider our manufacturing facilities, we find that many are operating below capacity and that some have closed altogether.

There is no shortage of manpower in Canada. The stagnation in our plants is caused by our failure to sell our end products.

The goods that fill our stores and warehouses are Canadian products or products exchanged with other countries. For all practical purposes, this production that fills our stores and warehouses may be regarded as Canadian.

A great many individuals and governments would purchase more Canadian goods, individually and collectively, provided they would not be required to borrow money at exorbitant interest rates, thus getting deeper into debt.

Some hon. Members: There we are.

Mr. Godin: Others cannot afford or are not sufficiently solvent to purchase the goods they need. That is why such goods remain unsold in stores and warehouses. Indeed, it is the lack of purchasing power in the hands of the potential buyer which is at the root of our economic problems.

The fact that the same thing happens in all modernized countries does not warrant, I think, our tolerating such a situation.

Throughout the world, highly qualified people have exposed the current situation and suggested solutions. Some of those solutions could easily be applied by the Canadian government.

The increasing public debt at all levels is enough of a proof that it is time to improve the system.

The government has had inquiries conducted in all fields; many would be surprised at the number of people appointed to find out the reasons for our economic and social difficulties. Unfortunately, those people must follow strict instructions and until now they have investigated everything except the operations of our money and credit system. In my opinion, this is why it is high time to give up the ostrich policy.

Considering that, currently, money is born and dies in the chartered banks empowered by the government to—

Some hon. Members: At long last we are going to have it.

Some hon. Members: Now we will hear about Caouette's machine.

Some hon. Members: Here it comes.

Mr. Godin: Mr. Speaker, I deplore that it is called "Caouette's machine" but I would point out that this machine had—

Mr. Latulippe: Anyway, it is still better than the "tax machine".

Mr. Gauthier: Yes, better than the "tax machine".

Mr. Godin: —been announced mainly by the Right Hon. Mackenzie King.

Indeed, we need a statutory monetary power that would put the monetary institution at the disposal of the community.

It is urgent that the money supply be first regulated and determined as a function of a certain national production level that would be scientifically and regularly calculated.

Second, it is urgent that the Bank of Canada alone be authorized to expand the money supply needed by Canada.

Some hon. Members: Oh, oh! Here it comes.

[Mr. Godin.]

Mr. Godin: Third, that any additional line of credit extended by the Bank of Canada be charged to a national credit account.

Some hon. Members: Here we are.

Mr. Godin: Fourth, that the money deposited in the national credit account be allocated for the needs of the Canadian people according to their wishes, as expressed through their representatives in Ottawa.

Some hon. Members: Hear, hear!

Mr. Godin: Once this solution is implemented, Mr. Speaker, whenever the level of the national inventory of buyable products passes a certain point, this will be justification to increase the money supply by an amount equal to the value of the inventory above a certain level. The additional money will be created by the Bank of Canada, after it receives authority to do so from Parliament, and will be deposited in a national credit account. If the level of the inventory of buyable products goes down it will then be necessary to reduce the money supply. And in order to reduce the money supply, there is no better way than taxation. This means that when the whole population and the accountants responsible for supervising the national inventory, i.e., the people who will have authority to balance the national credit account, then we will turn to the hon. member for Kingston and The Islands (Mr. Benson), who will waste no time in laying hands on whatever excess there is.

Mr. Duquet: You have the wrong minister!

Mr. Godin: Once this solution is implemented, the present allocation of funds from the national credit account by Parliament will be accomplished without creating any further national debt, and will at the same time reduce taxes. The Canadian people will be assured at all times that there is enough money to purchase the buyable production available in Canada, such available buyable production being the final result of the efforts made by Canadians, individually and as a group.

Once this solution is implemented, it will follow that the increase in production resulting from automation, cybernetics, and so on, will become a real blessing for Canada. This solution will remedy once and for all the distribution blockage which at present restrains the economy of the western hemisphere countries, of which we are part.

Implementation of this solution, Mr. Speaker, will allow chartered banks, which provide a service necessary in our society, to remain free competitive enterprises. The only change will be that only the Bank of Canada will be empowered to create additional money supply for the needs of Canadians.

Some hon. Members: It is over, at last!

[*English*]

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, at the outset I should like to join hon. members who have expressed congratulations to the mover and seconder of this motion. I am in a unique position in this regard because I think I am one of the few sitting members who has in fact had this assignment in the past and I

know what an honour and a milestone it is in the history and life of any parliamentarian.

In the last few hours I have re-read the Speech from the Throne, and I have read or heard most of the comments that have been uttered in this debate during the last eight days. Having done so, I can sympathize with the point of view once expressed by Winston Churchill when he said that democracy is the worst possible form of government except for all the others.

The exercise of looking at what I might describe as the total package of the so-called Throne Speech debate is also useful in that it gives one a better understanding of what a growing number of people, particularly young people, are beginning to question more and more; that is, the relevancy of this institution. They are beginning to say more frequently and with more conviction that, to use the modern expression, this simply is not where the action is.

The fact is that when one looks at the totality—I am saying this in an objective way—we have not in fact had a debate at all, in the strict sense of the word. Certain members have said during this debate, with a measure of truth, that it does provide an opportunity for individual members to speak on behalf of their constituencies or, indeed, to talk on any topic of their choosing. But the end result of that, when one looks at it in its total context, is that it is simply not worth it—which might be the conclusion of a group of students if, let us say, they were to examine this debate as an essay assignment or something of that sort.

Indeed, when I read the total package I came to the conclusion that this whole process is now rather an anachronism. It is true that it is sanctified by tradition and that there are certain aspects of it, as I have said, that members regard as being tremendously important. But in terms of communicating additional knowledge about the affairs of this country to the public or even, indeed, to members of the House, I would have to say that the exercise has not been much of a success.

I think the best example I can put forward is the fact that when one analyses literally the total contribution to this debate of members of the opposition, one finds that they have not at any time—or perhaps, to be fair, I should say with very few exceptions—come to grips in any realistic way with the many issues raised in the Throne Speech, some of them contentious and some controversial. The fact is that these issues have been glanced over, if indeed touched upon at all, and we have fallen back almost totally on what might be described as confrontation politics. In a sense, the whole objective seems to be to smite the government hip and thigh.

• (2040)

There is no better example of this than the speech of the Leader of the Opposition (Mr. Stanfield). I read it in full again this afternoon. I find it takes up eight pages in *Hansard*. Of those eight, six and a half pass before the Leader of the Opposition even gets around to indicating what kind of policies his party might pursue in the event of their gaining responsibility for government. But he even deals with that question in a most casual and offhanded fashion. There is nothing basically wrong with this, Mr. Speaker: it is fair ball, fair game. It is a form of political activity, or political strategy if you like. It is probably as old as the parliamentary system: it is based on the assumption that governments don't get elected, but simply that other governments get defeated.

I can imagine the Leader of the Opposition and his advisers and speech-writers sitting down and saying, "What we should do now is create a compendium of all the discontents, real and imagined, in this country at the present time. We have to indicate that we are on the proper side of each one of them. We have to get in that bit about old age pensions; and don't forget about the native peoples. And whatever you do, don't leave out that long-standing commitment about the small, family-held farm. Wrap these all up in a bundle and then fall back on your most imaginative writer for a few, hopefully, humorous one-liners. Then stretch out the paragraphs in the most tortuous way you can so that you eventually get to some kind of punchline."

That is in fact what the first six pages or more of the speech of the Leader of the Opposition reflect. He has an absolute right to do this and it is a quite appropriate stance for him to take, to smite the government hip and thigh. But I say to him and to hon. members opposite that it is rather naïve of them to expect that the public will accept as an alternative to the government a party which simply does not put forward alternatives and does not get down to arguing the basic and very important issues which are not only stated in the Throne Speech but are so obvious to all of us in this House.

As a member of the government, when listening to the Leader of the Opposition I felt a kinship with the two sailors who, after a very rough Saturday night, found themselves compelled to go to church parade on Sunday. They went, and discovered that the sermon was on the Ten Commandments. It was a real old-fashioned, hell-fire and brimstone sermon admonishing people as to what would happen to them if they broke the Ten Commandments. The two sailors listened silently; then as they emerged from church one turned to the other and said, "At least we haven't made any graven images." Time after time the Leader of the Opposition has come forward and said that the government has done absolutely nothing right. I would remind him that even a stopped clock is right twice a day.

Some hon. Members: Oh, oh!

Mr. Jamieson: Mr. Speaker, as I read the speech of the Leader of the Opposition I began to wonder what would happen if in fact positions were reversed and we had the speech of the Leader of the Opposition as the Throne Speech.

Some hon. Members: Oh, oh!

Mr. Jamieson: Let us look at what the position would be if in fact we had the speech of the Leader of the Opposition, delivered in this House, as the document that was read by His Excellency the Governor General. What would we find in it with regard to policy? What would we find in it with regard to plans, alternatives and options that the opposition—which then, of course, would be the policy formulating body—would undertake? First of all we would have this:

Our first objective would be the creation of sufficient opportunities for meaningful employment for Canadians—

Motherhood! Sheer, unadulterated motherhood! There is not a word about how this would be achieved, not a single word from this party which would provide sufficient opportunities for meaningful employment for Canadians.

Mr. Bigg: Tell us something about transportation, and not political garbage.

Mr. Jamieson: It looks like we're scoring, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Jamieson: What I started to say, Mr. Speaker, was that having made this very profound statement with which nobody can disagree, the Leader of the Opposition gives no indication of how his party would wrestle with the universal problem, experienced in industrial countries at least, of how one achieves full employment while at the same time controlling runaway prices and wages and all the other problems that have inflation as their root. Nor does he indicate whether his party is in favour of price and wage controls. Is it in fact the policy of the Tory party to introduce price and wage controls? Does the Leader of the Opposition support them, or is that the private preserve of the hon. member for Prince Edward-Hastings (Mr. Hees), that perennial Peter Pan of the Tory party?

Some hon. Members: Oh, oh!

Mr. Jamieson: One can imagine what the reaction would be if this statement of the Leader of the Opposition were in the Throne Speech, standing all by itself, unprotected:

Our third priority is the pursuit of steady economic growth in terms both of gross national product and in terms of productivity through a program of incentives to encourage the initiative of Canadians in all branches of business, industry, farming and other occupations.

That, Mr. Speaker, is what is known in legal terms as the basket clause. You throw the whole works in together. You get in the motherhood words, like "incentives" and "initiatives" and you latch them on to every conceivable pressure group in the country. How this is going to be achieved, we do not know. It says nothing. And what about this marvellously ingenious phrase:

Fourth, we recognize the need as a basic priority to communicate a sense of national purpose to the Canadian people.

I suppose, Mr. Speaker, that the first politician who ever took to the hustings in Canada invented such a phrase. In fact, there is nothing new or ingenious about it. Even Dalton Camp and the right hon. member for Prince Albert (Mr. Diefenbaker) could agree on that one.

Some hon. Members: Hear, hear!

Mr. Jamieson: But, Mr. Speaker, I ask you, what kind of initiative, what kind of incentive and what kind of national purpose? Are these initiatives that are going to be provided, and have been included in this basket clause, to cover all manner of people—incentives of the sort that would give a guaranteed annual income, something which is an anathema to a large section of the party opposite? Or is there to be an incentive for the free-wheeling free enterpriser section of the Tory party? You have to choose between these two kinds of incentives.

Is the incentive going to be freer trade, which undoubtedly many of the farmers might very well want; or is there to be more protection for the businessman whom the Leader of the Opposition puts cheek by jowl with all the other occupations in that phrase? I say once again that if the Leader of the Opposition expects the people of Canada to swallow these kinds of generalities, he is very much mistaken. Next in this imaginary Tory Throne Speech we come to these words:

We should adopt immediately the concept of a full employment budget in this country.

That is it, full stop, paragraph, nothing else.

We should adopt immediately the concept of a full employment budget in this country.

How are we going to adopt it? What kind of full employment budget? The Leader of the Opposition points out that in fact this has been done in the United States. Mr. Speaker, it was done about a year or so ago in the United States; but is the Leader of the Opposition suggesting that the results that flowed from it there are the kinds of things we want in Canada? Is that the model we want to follow? Has he forgotten that just a few months after the so-called full employment budget was introduced in the United States their levels of unemployment were still virtually what they were before, and that in addition the United States had to undertake the most drastic kind of fiscal and monetary measures, perhaps the most drastic known in the history of that country? He simply says, calmly and coolly:

• (2050)

We should adopt immediately by the concept of a full employment budget in this country.

Then we come to this one, and it is a real puzzler. If this were in a Tory Throne Speech, I do not know how I would respond to it. The Leader of the Opposition said:

There should have been some proposal to draw Canadians together in the fight against inflation and, in particular, some clarification of the role of the Prices and Incomes Commission.

What does that mean? Does it mean that this party which has villified the Prices and Incomes Commission from the beginning will retain the commission? If it intends to retain it, presumably it will make substantial changes.

Some hon. Members: Oh, oh!

Mr. Jamieson: Please do not bother me while I am at work. I don't go down in the sewer and take your time. The hon. gentleman will have his time, if he has not had it already.

Mr. Bigg: Tell us about freight rates.

Mr. Jamieson: We are hitting you, boy, right where it hurts.

The Acting Speaker (Mr. Laniel): Order, please. I think hon. members should let the minister complete his remarks. An hon. member who wants the floor can seek it by the normal procedure. The Minister of Transport.

Mr. Jamieson: Mr. Speaker, if the hon. gentlemen are as confident as they say they are, that after the next election they will be over here, they should be listening and getting used to it, because if that is the case that is what I will be telling them then. Is that all right? Let me repeat this gem:

There should have been some proposal to draw Canadians together in the fight against inflation and, in particular, some clarification of the role of the Prices and Incomes Commission.

As I say, is the suggestion that the role of the Prices and Incomes Commission should be changed drastically? If it is, surely it is not unreasonable to say to the Leader of the Opposition—

Mr. Bigg: Tell us about transportation.

Mr. Jamieson: I will tell you about transportation. I would like to put you on your horse and send you out of here.

Some hon. Members: Hear, hear!

Mr. Jamieson: On second thought, maybe I got the horse wrong.

Mr. Nesbitt: Now who is getting under whose skin?

Mr. Jamieson: The point is, Mr. Speaker, that it is impossible for the opposition to leave a comment like this standing without indicating whether they have plans, presumably, for the retention of the Prices and Incomes Commission. Are they going to have some form of enforced wage and price controls? If they are, the country and this House has the right to know, rather than leaving it in limbo. Incidentally, the only other support that is given to that particular sentence—and imagine this in a Tory Throne Speech—says:

We should be fighting hard now to get some guidelines accepted in fighting inflation.

This is from a party that has consistently and without exception said that guidelines will not work. I can quote from many speeches of members opposite asking when the government is going to give up the folly of guidelines. Now they are suggesting that this is the solution. Again I have to ask, Mr. Speaker, are these the guidelines that are going to be enforced, or is this to be some kind of voluntary exercise of the sort that hon. members say is meaningless and ineffective?

I should like to come now to—

Mr. MacInnis: A point of order, Mr. Speaker.

The Acting Speaker (Mr. Laniel): The hon. member for Cape Breton-East Richmond (Mr. MacInnis) on a point of order.

Mr. MacInnis: My point of order arises from the statement made by the minister. He said he was prepared to quote, and the question arises: Who is he going to quote and what is he going to quote? Let's hear it.

Mr. Jamieson: Mr. Speaker, if I had a little time I am sure I would be able to find—

An hon. Member: We will give you all the time you want.

Mr. Jamieson: What I said, Mr. Speaker, is a matter of record and I think it can be supported—that indeed many members of the party opposite have indicated that the voluntary guidelines exercise is not a workable solution to the inflation problem. In fact, it has been an almost basic tenet of their arguments over the last four years.

Mr. Speaker, in fairness to the Leader of the Opposition, toward the end of his speech he did recognize that there was necessity for him to make some comments about policy and to assert some leadership. I will say that in reading his speech I noticed that he added a new wrinkle to the old, so-called confrontation politics; that is, there are occasions when he comes down squarely on both sides of an issue. This is what is known as the "sweet reasonableness approach": you do not really take a stand until you have had an opportunity to weigh public opinion and get some idea of how the cat of public opinion is going to jump. So we have various references to this, and, on the other hand, that.

He says during his speech that many of the points he makes with regard to policy will be elaborated by those coming after. I searched and found nothing in the way of elaboration or policy declaration that followed. For example, on a matter that is of great concern to me—Newfoundland—he said one line, and one line only in the whole speech:

—more effective measures to ensure the conservation of our fisheries.

Nobody disputes that. But what kind of measures does the leader of that party suggest; and would they be prepared to support the kind of unilateral action that is being recommended by certain members of the party, a kind of gunboat diplomacy? Are they in fact prepared to assert unilateral control over the continental shelf? Is this the policy? If it is, we have a right to know. In fact, not only do we have a right to know, but that kind of discussion in this House would be useful because this is one of the most complex of subjects.

If the Leader of the Opposition is prepared to assert, as a matter of policy, that regardless of international agreements, regardless of treaties, regardless of international law, we propose to move unilaterally in that direction, then I say it is his obligation to spell that out and not simply to have it quoted as a possibility or even a faint hope by some of his followers.

Finally comes a ringing declaration. This has got to be the most inane sentence I have ever read, standing by itself. He said:

Our industries in Canada must be put in a position to compete.

Now, what industries? And compete with whom, and under what circumstances? Tonight I do not propose, despite what hon. gentlemen have said, to talk about transportation, to go into it in detail because there will be an opportunity during the debate on the Canadian National—

An hon. Member: Don't talk about it. You don't know.

Mr. Jamieson: Do you want an answer? Would you like to take the floor? I would be happy to give you the floor.

Some hon. Members: No, no.

An hon. Member: Careful about that one, Don.

Mr. Bigg: What do you know about freight rates? Do you want some more?

The Acting Speaker (Mr. Laniel): Order.

Mr. Jamieson: Mr. Speaker, what I was about to say with regard to freight rates and the whole question of transportation was that in point of fact I am exercising the democratic right which many members opposite have explained as being part of this debate, that is, that a member is free to talk about any subject of his choosing. This is what I have chosen, and I feel it is apt.

Mr. Bigg: On a point of order, Mr. Speaker—

The Acting Speaker (Mr. Laniel): Order, please. Is the hon. member rising on a point of order?

Mr. Bigg: Yes, Mr. Speaker, on a point of order. I was asked by the hon. member who has the floor to rise and say something and explain why I want to talk about transportation.

The Acting Speaker (Mr. Laniel): Order, please. Hon. members know we must abide by the rules of the House. The minister has the floor, and unless he yields the floor no other hon. member can speak. The rules do not permit us to go from one hon. member to another and get into an exchange. Each hon. member has to make a speech in his due time, and only when recognized by the Chair. The Minister of Transport.

Mr. Jamieson: Thank you, Mr. Speaker—

Mr. Baldwin: On a point of order, Mr. Speaker.

The Acting Speaker (Mr. Laniel): The hon. member for Peace River (Mr. Baldwin) on a point of order.

Mr. Baldwin: You are quite right, of course, about the rules, Mr. Speaker; but I would point out that in this case the minister, not doing very well having the floor, gave it to the hon. member.

The Acting Speaker (Mr. Laniel): On the point of order just raised, the hon. member knows, I am sure, that it is for the Chair to recognize hon. members and not for a minister or a private member.

Mr. Jamieson: Thank you very much, Mr. Speaker. I am grateful to the hon. member for Peace River (Mr. Baldwin) for his short, instructive lecture on parliamentary procedure.

Mr. Baldwin: Any time.

• (2100)

Mr. Jamieson: As the hon. member knows, I am always anxious to hear what hon. members opposite have to say. I wish to say once again, if I may answer my hon. friend, that the debate on CNR financing is coming up in a few days and it was my intention to devote a speech at that time to the questions which he raised. I hope that will dispose of the matter.

What I was going to say on the question, if I may put it in simple terms, of making sure that our industries in Canada are put in the position of being able to compete is that the subject is tremendously complicated and involves transportation. I merely want to say that, ironically, I have received even in the last few days protests from Manitoba to the effect that the freight assistance we are providing in eastern Canada constitutes unfair competition. Therefore, one has to go to western Canada to hear something good said about transportation in eastern Canada, and vice versa.

I say in all seriousness that it is not enough simply to add that our industries in Canada must be put in the position of being able to compete. We must round that out, when we talk about competition. How are they to compete, and with whom? Are we talking about international trade? Are we talking about the tremendous competition which goes on among the various regions of Canada?

As the statement stands in the speech of the Leader of the Opposition, it is meaningless, totally and absolutely. And so, Mr. Speaker, in concluding my commentary on this sort of imaginary Tory Throne Speech one must say to use a stock phrase, that it is more significant for what it does not contain than for what it says. Even in terms of a speech by the Leader of the Opposition, about the best that can be said for it is that it is essentially rambling rhetoric and oversimplication. Indeed, it would be well if most of us in this House, regardless of where we sit, heeded something once said. I do not remember which particular philosopher said that the essence of tyranny is the denial of complexity, but if ever there was a denial of complexity one can see it in the speech of the Leader of the Opposition. I could put everything of a policy nature which was contained in his remarks on one page.

Mr. Nesbitt: And the Speech from the Throne could be put in one sentence.

Mr. Jamieson: I am sorry to say that his statements were not in the least significant. My time is running out, Mr. Speaker, and I may not be able to do justice to the Leader of the NDP (Mr. Lewis) and the other heavyweights who took part in this debate.

Some hon. Members: Continue.

Mr. Jamieson: I confess that I was singularly disappointed by the contribution of the leader of the NDP. He knows—and I wish he were here tonight—that I have great respect for him and for his debating ability. Yet when one looks at his contribution in this debate, once again it is easy to see that he has totally avoided saying anything about his party's policies and, on that occasion at least, he resorted to the cheapest kind of political haymaking.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Jamieson: He began by describing the Throne Speech as a speech made up of purple prose. I wish he were here, because I would tell him that if he were to read his remarks with intellectual honesty he would discover that the further he went into his speech the more purple he became, and by the time he had finished anything in the Throne Speech, in terms of rhetoric and purple prose, had been left far behind in his remarks. I confess that my difficulty with the NDP is not one of philosophy or ideology. There are many matters on which that party and I

agree completely. I think we can resolve our differences of ideology as mature people who can look at the issues and confront them squarely. But, Mr. Speaker, what really irritates me about the NDP is the sanctimonious, holier-than-thou attitudes which that party adopts.

Some hon. Members: Hear, hear!

Mr. Jamieson: On every occasion, that party likes to feel that it is the possessor of all truth and wisdom. If we could go back to the days of Cecil B. de Mille and he were to make a film about this House, I think it is fair to say that if he made it according to an NDP version all the rest of us would sit here in darkness, total and utter darkness, and a thin ray of light from heaven would shine squarely down on their corner.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Nesbitt: They don't even swear in the NDP.

Mr. Jamieson: It is perfectly clear, Mr. Speaker, that the leader of the NDP is finding no great difficulty in restraining his enthusiasm for the Prime Minister (Mr. Trudeau). Indeed, one can say that his attitude toward him falls somewhat short of idolatry. I realize that the Prime Minister does not need me to defend him against the slings and arrows that political leadership inevitably attracts, yet I must express my resentment about one comment which the leader of the NDP made in his remarks.

An hon. Member: Just one?

Mr. Jamieson: Yes, just one. He was talking about the unfortunate effects on certain elements of our society which our economic difficulties are creating. He was talking about the Prime Minister's attitude toward those people. Once again I say that the government is fair game for the opposition to attack. But the Leader of the NDP said that the attitude of the Prime Minister of this country to those people was an attitude of someone who has never had to scramble to pay the rent. I say that is purely and blatantly an appeal to prejudice. I will tell you the sort of category in which I would place that remark. I place it in exactly the same category as another statement that at one time was heard in this House and it practically drove the NDP out of its mind. It has now gone out of existence; we do not use it any more. Putting it in its simplest terms, the NDP leader's remark is in the same category as the one in which it was alleged that no man was fit to sit in this House and govern if he had not had to meet a payroll. That kind of remark, in common with the remark of the leader of the NDP, was calculated to create a prejudicial appeal.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Laniel): Order, please. I regret having to interrupt the minister, but his allotted time has expired.

Some hon. Members: Continue.

The Acting Speaker (Mr. Laniel): Is the Chair to assume that the House gives consent to extending the minister's time and that he may complete his remarks?

Some hon. Members: Agreed.

Mr. Nielsen: Provided he sticks to the NDP, Mr. Speaker.

Mr. Jamieson: Thank you, Mr. Speaker. I am grateful to hon. members and undertake not to impose unduly on the time of the House. I again say, in all seriousness to the NDP, that they are not the repository of all compassion in this House.

An hon. Member: The minister should think about his record.

Mr. Jamieson: I say to the hon. member and to others over there that although I cannot speak for the Prime Minister, I can speak for myself. I have had to scramble to pay the rent and I would be glad, even though I am not sure whether hon. members would particularly enjoy the experience, to trade poverty stories with them at any time they choose. There are a great many hon. members of this party and in this government who are in exactly the same position.

Some hon. Members: Hear, hear!

Mr. Jamieson: So let us have no more of this talk.

Some hon. Members: Oh, oh!

Mr. Jamieson: I repeat that one group only does not hold the conscience of the House. All of us, in our own way and on the basis of our own convictions, are sincere people trying to do the job for which we were sent here.

I should like to make one or two other points of a personal nature, if I may, Mr. Speaker. Six of us in this House are different from other hon. members in one respect: we are different from all other members of the House. I speak of myself and the five fellow Newfoundlanders who are present. We are different because we did not mature or grow up as Canadians. Actually, we were adults before we became Canadians. We did not enter confederation until most of us had reached adult years. Of course, I can speak for myself and cannot speak for the other Newfoundland members, but I am sure that their sentiments are the same as mine.

I personally voted on two separate occasions against becoming a Canadian. My reasons for doing so, although it is not necessary for me to go into detail, had to do with the fact that I prized my independence. I was concerned about my personal independence and about that of my country. This is something which all of you can understand, I am sure, in your own way as we struggle in this country for a greater degree of independence and sovereignty.

• (2110)

I say in conclusion that being a relative newcomer to confederation and having been honoured by Canada in a way in which very few people get to be honoured by this country, I perhaps recognize more than most the necessity for equality for all the people of this country.

Some hon. Members: Hear, hear!

Mr. Jamieson: I was disappointed in some respects that neither the Leader of the Opposition nor the leader of the New Democratic Party chose to make any reference in their remarks either to national unity in the context of the Official Languages Act or anything relating thereto. Unfortunately, when references are made to this subject they tend, as has been evidenced in this debate, to generate a degree of emotion. This is not a bad idea, but I suggest it is the wrong kind of emotion. For my part, I have no desire either during this debate or at any other time to inflame or add to the difficulties which we are presently experiencing. I can say that as someone who has been given great opportunities since becoming a Canadian and has travelled this country widely from one end to another, I understand and feel a kinship with those whose mother tongue is French.

There is not a great deal of difference down underneath. Certain stories are told. They may be the kind of derogatory stories, although perhaps humorous, about the backwoods French Canadian woodcutter and the Newfie stories about which we hear so much. I feel there is a certain distinction about the fact we have both reached a maturity that enables us to laugh at ourselves.

Although we Newfoundlanders do not suffer the added problem that alienation creates when there is a language barrier, nevertheless I believe that we in Newfoundland and I as one Newfoundlander understand how it feels to experience this kind of alienation. Of my own achievements as far as they relate to government activities, the one of which I am most proud is that this Parliament, with the support of all parties, passed and endorsed enthusiastically the Official Languages Act.

Some hon. Members: Hear, hear!

Mr. Jamieson: I hope there is no suggestion at the moment that any party or any member of this House is prepared to compromise the principles of that act. If there are injustices, of course we have to deal with them; but we must deal with them on both sides. I appeal to hon. members to realize that when the Official Languages Act was set up and, in fact, when this House felt in its heart the necessity to right historic wrongs, it removed it from the political arena and tried to lift it above politics. It tried to make this an issue that would unite Canadians and not one to divide it. I believe this will continue to be the case. I am prepared to stand upon the achievements of this government and its policies in this regard and, believe me, there is no better place that I would rather stand.

Some hon. Members: Hear, hear!

Mr. Erik Nielsen (Yukon): Mr. Speaker, I listened carefully to the Minister of Transport (Mr. Jamieson). He left me wondering as to what he said. As he said, no wonder the young people are questioning. They are questioning speeches such as he made when he should have been dealing with the substantive issues that were almost contained in the Speech from the Throne and with which he did not deal. Instead of that, he erected a Throne Speech of the opposition. He gave me the impression that I was over there, he was over here and he was delivering a speech in criticism of a Throne Speech that came from us. I wondered for a moment where I was in the House, whether I was on Your Honour's right or left.

I say it was dishonest for the minister to say the things that he did. He called the New Democratic Party sanctimonious. He ended his speech with a plea for national unity. He criticized the Leader of the Opposition (Mr. Stanfield) for things that he said, and called it motherhood; yet that is exactly what he was doing. As I sat here I tried to sort out all these matters. He drew an analogy between himself and other impecunious Liberal members who sit on the government side, and their inability to pay the rent. This put me in mind of the writings of the Prime Minister (Mr. Trudeau) when he made the allusion to the brave donkeys lining up at the trough.

It pulled at the strings of my heart to hear the difficulties that the Minister of Transport and his colleagues have gone through. I contrasted his remarks with the difficulties being experienced in every riding in this country by constituents of every member of this House, those sitting opposite and on this side. They are undergoing extreme hardship because of the inefficiency and every other shortcoming of the government with regard to the administration of Unemployment Insurance. I listened to the hon. member for Essex (Mr. Whelan) talk this afternoon about the streamlined efforts that are being made by the Unemployment Insurance offices. I still think of the people in my constituency, and I am sure in others, who have to apply for welfare because of the inefficiencies of that department.

The minister spoke in sanctimonious terms and made accusations against the leader of the New Democratic Party regarding the Official Languages Act. I have sat in this House as a member of the government as well as a member of the opposition. I know the record of the former prime minister, the right hon. member for Prince Albert (Mr. Diefenbaker), with regard to bilingualism in this country. I know that the cubicles in the corners of this chamber were installed under his prime ministership. I know that bilingual cheques came about under his term in office as prime minister. The simultaneous English-French translation system came about under his prime ministership. Suddenly we hear the Minister of Transport being as sanctimonious as hell about being the inventor of all these innovations.

An hon. Member: Order.

Mr. Nielsen: Someone on the other side said "Order". I did not say "Fuzz off"; I do not spell it that way. I did not say "God-damn". However, if we have reached the stage in this House where these epithets are in order—

Mr. Knowles (Winnipeg North Centre): But they are not.

Mr. Nielsen: —then at least I can refer to the place below.

Mr. Knowles (Winnipeg North Centre): Don't act like the Prime Minister (Mr. Trudeau).

Mr. Nielsen: I remind the Minister of Transport that the Bilingualism and Biculturalism Commission started under the previous Prime Minister, yet the minister stands in his place, sanctimonious as all get out, and speaks as

though it was all invented by the Prime Minister of the day and his government.

There are serious concerns being expressed, not only here, unvoiced by those who sit in the back benches opposite but I am sure they are heard in caucus every Wednesday morning. There are concerns that we have gone too far. When I first started hearing these things 15 years ago they were being expressed by French-speaking Canadians who were not being heard; they were not regarded as equals in this House. So these changes came about. We brought in simultaneous translation, and other steps toward rectifying this inequality were taken. No criticism was directed at that time against French-speaking members who rose in this chamber to complain of the imbalance in terms of English-speaking and French-speaking membership of the civil service. We listened and I am sure most hon. members listened. In all likelihood it was as a result of those speeches and the attention given to them that changes came about.

• (2120)

Now, when the reverse is the case and when concern is being felt by English-speaking Canadians that the pendulum has perhaps swung too far in the other direction, there is intolerance; in effect there is bigotry—a label of Birchism or McCarthyism is attached to anyone who dare support the opposite point of view. That there is another point of view there can be no doubt. It is very real. No one in this House who has travelled through the west can fail to appreciate immediately that it has reached serious proportions and that there must be some lessening of the rapidity with which the government is proceeding. This sentiment is very real and very logical. There is nothing McCarthyist about stating this point of view because it is a reasonable view held by a large number of Canadians.

The Minister of Transport spoke about employment. Members of the government have indicated that they invented unemployment; they sought to cure inflation. The Minister of Transport wants to disassociate himself from that policy, but the former minister of labour took pride in the fact that the government took the course it did. He said it took a great deal of courage to implement a policy such as this in order to curb inflation.

The Minister of Transport said that one page would have contained the speech made by the Leader of the Opposition. Yet when I look over the Speech from the Throne and compare it with the minister's speech, a speech which has taken things out of context, isolated them and tried to demolish them, I cannot but wonder about the direction the government is taking. Is it any wonder the young people are asking questions?

I have before me a background paper which was used by the Minister of the Environment (Mr. Davis). I am happy to see he is present in the chamber, one of the few ministers who is here tonight. This paper served as a basis for discussion at a special meeting of the Capilano Liberal Association in the North Vancouver Community Centre on December 11, 1971. It is entitled, "What do western Liberals want?" and the author is the Hon. Jack Davis, P.C., M.P., Minister of the Environment. The hon. gentleman makes an inventory of what he supposes western Liberals want.

Mr. Baldwin: They want to get into the cabinet.

Mr. Nielsen: They're almost all in the cabinet already, either that or they are parliamentary secretaries or chairmen of committees. He says they want to be free to act on their own. They will never get that freedom under the present Prime Minister. They want to explore new horizons, he said. They want to pull the rest of Canada into a world of fantastic tomorrows. Well, Mr. Speaker, I do not know what kind of trip the minister was on when he used those words, but he certainly was not down to earth. He listed this one under a series of subtitles. First, he said, good relations with the United States are wanted. Here is a government which has gone out of its way to destroy good relations with the United States, yet in this hypocritical way the minister and, I am sure, the rest are trying to erect an image in western Canada and elsewhere supposed to reflect the constructive efforts they are making to bring about good relations with the United States.

At the same time we have a Prime Minister who makes derogatory statements with respect to the United States while on a visit to the U.S.S.R. and countenances statements by the Premier of the U.S.S.R. which are derogatory to the United States while on a visit to Canada. He refuses to refute them, allowing Canada to be used as a platform for anti-American sentiment expressed by the communist world.

The Minister of the Environment says we need partners across the Pacific. The government is certainly not doing anything to encourage this. Then, he says, the Liberals want less protectionism in Canada. Mr. Speaker, he is a member of a government which has passed legislation insisting on control of foreign ownership, insisting upon restricting investment capital flowing into the country. It has given some $6 million as a tax rebate to a United States oil company. No wonder young people are put off by this kind of hypocrisy!

In juxtaposition to this desire for less protectionism in Canada, the minister wants more foreign capital for expansion. This puts me in mind of a speech made by the former minister of mines, energy and resources, the hon. member for Niagara Falls (Mr. Greene), and a speech made by the Minister of Indian Affairs and Northern Development (Mr. Chrétien), one delivered in one part of the United States and the other in another part in the south. One minister was saying we needed more capital, and the other was asserting that we did not need more capital.

Here is the Minister of the Environment telling his friends in Vancouver that we need more foreign capital for expansion, while at the same time with its tax reforms the government is erecting barriers against foreign capital which, in the Yukon at any rate, has resulted in a diminution of the investment flow by some 70 per cent in the last mining exploration year. The ECC has indicated that by 1973 that inflow of capital will have been curtailed by 18 per cent.

Last, but not least, the minister told his friends in Vancouver that what he wants is more projects and less red tape. Here we have a government which is obsessed with the idea of control, a government obsessed with the concept of power, yet the Minister of the Environment says we need more protection and less red tape. He has visited my constituency, that colony in Canada, that colony in North America which is run on puppet-strings manipulat-

ed by the Minister of Indian Affairs and Northern Development, as is the case in the Northwest Territories. And the minister says that we want less red tape! We like that. We endorse it 100 per cent. But let me ask why the government does not cut out the red tape. Why does the government not adopt policies and projects that will result in an administration in this country that is designed to reduce, not expand?

• (2130)

I was looking over the figures of civil service hirings during the last quarter and had always thought that there was a growth of roughly a net 1,000 a month. However, I find that in April, 1971, the growth was something in the order of 3,000 net, and slightly under 4,000 net growth in May of 1971. That is explainable by the six newly created ministries in the government during the regime of this Prime Minister. And the Minister of the Environment has the hypocrisy to say that what we need is more projects and less red tape!

The sixth item in this great paper that he delivered was this, "Wanted: Less government and more tax cuts". I did not hear the minister during the tax reform legislation make a plea for the prospector. Prospecting is a very important pursuit in his part of the country, yet I did not hear him make a plea for the prospector's wants, that he not be subject to the capital gains tax, the imposition of which has literally killed prospecting in his country and in mine. Neither did I hear him rise in his place and utter one criticism of the increase in taxes that was imposed on his constituents and others in this country. He has the gall to go to the west of Canada and to tell those who attended the meeting of western Liberals that he wanted more tax cuts, and he supports a government, in his hypocritical way, that imposes further taxes!

Less government, he says. Yet we have more boards, more commissions, more regulations, more provisions in our statute law, giving the government more and more power. There is more interference with the private lives, liberties and freedoms of the individual. The minister has the hypocrisy to go to Vancouver and say, "We want less of this" and then does nothing about it. Instead of delivering this paper in Vancouver, the minister should have been trying to convince his cabinet colleagues of the truth that is contained in it. But even better, it would have been an indication of his bona fides and sincerity had he risen at any time during his time in this House to espouse the principles that he sets forth in this paper.

Then again in this paper he says that the over-all tax bite is increasing. Then he compounds his hypocrisy with untruths, because he goes on to say that this trend toward even greater government influence in our economic affairs is bothering western Liberals, that it is bothering many independent-minded Canadians from coast to coast. Many people, he says, unthinkingly blame Ottawa for this trend. Few of them realize that the provinces, and to a lesser extent the municipalities, are the villains. So not only is he attempting to cover up the inadequacies of his party; he is also attempting to throw the blame, wrongfully and falsely, on the provinces and municipalities. He is trying to blame them for the excesses of his own government.

[Mr. Nielsen.]

Then he asks what western Liberals want Ottawa to do about this. He says that they want the government to curb its own spending. But, more than that, they want the government to stop collecting revenue for the provinces and municipalities. They want the other two levels of government to collect their own taxes. It will be interesting to see what is brought forward tomorrow when the equalization legislation comes up for debate.

The minister responsible for the legislation, and his parliamentary secretary have been telling us about the 90,000 new jobs that have been created by the new incentives program. I do not know what is going on in other constituencies in the country but I can tell hon. members what is going on in mine. Hundreds of thousands of dollars are going down the drain. In one instance, $17,000 odd was spent on a group of Indian people to cut wood which they would have had to cut anyway to employ themselves during the winter months. Some $17,600 was approved for another Indian band to repair housing on land set aside for the use of Indian people, none of the money being applied. In fact, the situation is becoming so alarming that the Indian people who were allotted this money have taken to cannibalizing empty houses to keep their fires going. Thousands of dollars are being wasted in this fashion. I say that the claim of 90,000 new jobs is an outright lie, and the quicker the Canadian people realize that taxpayers' money is being spent in this fashion, the better.

The Minister of Transport played down this debate. He said, in essence, that it was a useless exercice. I think this debate is a good exercise, if for no other reason than to expose the inadequacies of the government. He said that the Leader of the Opposition did not put forward alternatives. We have been putting forward alternatives for almost the last four years, alternatives that in some cases, admittedly belatedly, have been accepted by the government.

You will recall, Mr. Speaker, that last April we started speaking about the recommendations of the Economic Council of Canada. We started speaking about the likelihood of a very critical unemployment situation developing in the fall. But the government did not listen to us. Our alternatives were just sloughed off. We advocated a revocation of the 11 per cent sales tax on building materials, and have been doing so for a good number of years. We advocated real, meaningful tax cuts as far back as last April. We advocated other measures too. But the government adopted the position that everything was rosy, that inflation was going away, that unemployment was going away, that the economy was expanding. All these hypocritical statements came from a government as sanctimonious as the minister who has just spoken.

Everything the government said has turned out to be wrong. This is why our young people today are asking questions; it is why they are disillusioned. The government is not saying it like it is. It is not telling the people of Canada the truth. Try and get the truth in this House, Mr. Speaker. Ask questions of ministers, or of the Prime Minister, as I attempted to do yesterday. He knew exactly what I was talking about when I asked him about the special security force. Again I am misnaming it, but the Prime Minister knew what I meant. Yet he chose to hide behind the hair-splitting subterfuge that it was not specifically designated. There are some ministers who will

answer questions forthrightly, but very few. The Minister of Transport is usually one of them, but I was disappointed to hear the kind of speech he delivered tonight because he certainly did not evidence his usual forthrightness when answering questions. Try to get straighforward answers from the government and from the ministers, and you do not; you get everything from a ducking and a weaving to outright deceit in their answers.

• (2140)

I believe, Sir, that the minister is correct when he says that the young people are disappointed and disillusioned. They are so because politicians think that the most important thing in the world is to be re-elected. I suppose that is the most important thing in the world to a good number of them. But when they think for a moment they will realize that the most important thing is a confrontation with the issues of the day in a forthright manner.

The government proposal of the Minister of the Environment, in the great paper which he delivered in Vancouver, was for decentralization of decision-making, and he spoke of Crown corporations. In recent weeks a new Crown corporation was set up which is called the CDC. I want to revert here for a second to my remarks about the French-English question which exists in Canada. It makes one wonder, when we read statistics like this concerning the CDC.

On the CDC, the board of directors consists of 18 members and of these 18 members one director comes from British Columbia, one from Alberta, one from Saskatchewan, one from Manitoba, one from New Brunswick, one from Nova Scotia, and there is no director from Newfoundland and no director from Prince Edward Island; there are four directors from Ontario and eight from Quebec. The quorum on that board of directors is eight. What that means is that all the membership from the province of Quebec, numbering eight plus one more to side with them, can make decisions which will result in the flow of capital into that or any other province unlimitedly. It seems to me that there is cause for concern about this state of affairs. Why is this imbalance present?

I stand behind the right hon. member for Prince Albert when he spoke today about security. The fact that this separate security force has been set up in Canada is very disconcerting to me as well as to a good many other Canadians, and I am concerned about the fact that we are hearing nothing about it. The Prime Minister promised in April of 1969 that we would be given a full day of debate on this matter when the security report was tabled. We have not been given that opportunity, and apparently he has backed away completely from his position and now says that we should take an opposition day for the purpose.

Mr. Deputy Speaker: Order. It being 9.45 p.m., it is my duty, pursuant to section 5 of Standing Order 38, to interrupt the proceedings forthwith and put any question necessary to dispose of the main motion. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: On division.

Motion (Mr. Whicher) agreed to.

Hon. Allan J. MacEachen (President of the Privy Council) moved:

That the said address be engrossed and presented to His Excellency the Governor General by Mr. Speaker.

Motion agreed to.

* * *

BUSINESS OF SUPPLY

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I move, seconded by the Minister of Veterans Affairs (Mr. Laing), in accordance with Standing Order 58:

That this House at its next sitting consider the business of supply.

Motion agreed to.

* * *

BUSINESS OF THE HOUSE

Mr. Baldwin: Mr. Speaker, before we adjourn would the government House leader confirm that there has been no change since last Wednesday when he indicated the order in which government business would proceed?

Mr. MacEachen: Mr. Speaker, tomorrow we will take the bill indicated last Wednesday, namely, an act to authorize the making of certain fiscal payments to provinces, and following second reading we will proceed with the list of bills as given. If there are to be any changes I will advise my hon. friends.

Mr. Baldwin: I have just one more question, Mr. Speaker, of which I would like now to give the government House leader notice. Will he some time within the next week or ten days indicate that the government intends to bring in a budget before Easter?

Mr. MacEachen: Mr. Speaker, I will take that question as notice.

On motion of Mr. MacEachen the House adjourned at 9.50 p.m.

HOUSE OF COMMONS

Wednesday, March 1, 1972

The House met at 2 p.m.

HOUSE OF COMMONS

TABLING OF SECOND REPORT OF CLERK OF PETITIONS

Mr. Speaker: Order. I have the honour to inform the House that the Clerk of the House has laid upon the Table the second report of the Clerk of Petitions.

[*Later:*]

Mr. Erik Nielsen (Yukon): Mr. Speaker, I was delayed for a moment in getting into the House and so was not present when the second report of the Clerk of Petitions was tabled on behalf of the people of Old Crow. I have discussed this matter with the government House leader and I would now ask that the House give unanimous consent to have the text of the petition printed at the appropriate place in *Hansard* for today's proceedings.

Mr. Speaker: As hon. members know, under the terms of the Standing Order the Chair now has to inquire whether there is unanimous consent for the reading of the petition but I assume that the same result would be achieved by unanimous consent to print the petition. Is there unanimous agreement to this effect?

Some hon. Members: Agreed.

[*Editor's Note: For text of above petition, see appendix.*]

* * *

SPRING!

Mr. Grant Deachman (Vancouver-Quadra): Mr. Speaker, I rise on a question of personal privilege affecting all members of the House and all people in Canada. Your Honour will have noticed that hon. members are wearing daffodils today which marks the arrival of spring in Canada. I bring greetings from the people of the west coast, and in particular from the Greater Vancouver Tourist and Convention Bureau which has sent this gift of daffodils to mark the arrival of spring, incongruous though that may seem here in Ottawa today.

* * *

ST. DAVID'S DAY

Mr. F. J. Bigg (Pembina): Mr. Speaker, I wish to remind the House that today, March 1, is St. David's Day, named for the patron saint of Wales. It is a great pleasure for all of us that the right hon. member for Prince Albert (Mr. Diefenbaker) is present and in good health, he having recently become a Welshman by blood transfusion.

Some hon. Members: Hear, hear!

* * *

PRIVILEGE

MR. McGRATH—ALLEGED CONFLICT BETWEEN INFORMATION IN DEPARTMENTAL PUBLICATION AND ANSWER BY MINISTER OF REGIONAL ECONOMIC EXPANSION

Mr. James A. McGrath (St. John's East): Mr. Speaker, I wish to rise on a question of privilege, notice of which has been given pursuant to the Standing Order. My question of privilege arises out of information given the House on a matter within the administrative responsibilities of the government. I shall be as brief as possible. I regret that the Minister of Regional Economic Expansion (Mr. Marchand) is not in his seat.

The facts are as follows: in a government publication issued by the Department of Regional Economic Expansion under the authority of the minister and entitled "Regional Development Incentives Act, A Summary of Offers Accepted to 30 June, 1971", a certain entry appears. This entry lists the firm of A. Bélanger Ltée., Montreal, and its location is given as Montmagny, Quebec. Under "Type of Industry" it states that the firm is engaged in the manufacture of stoves, freezers and metal shelves. It goes on to describe the capital cost of the plant and the amount of the grant paid to the firm, which was $158,580.

On Monday, February 28, 1972, during the oral question period there occurred the following exchange between the hon. member for Lanark-Renfrew-Carleton (Mr. McBride) and the Minister of Regional Economic Expansion, which is to be found at page 305 of *Hansard:*

MR. MURRAY MCBRIDE (LANARK-RENFREW-CARLETON): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion. In view of the announcement on Friday last by Belanger-Tappan Limited that they propose to close their Carleton Place plant known as Findlay's Limited in the very near future and to concentrate their production at the Montmagny plant in the province of Quebec, has this company received any federal assistance from the Department of Regional Economic Expansion to create, improve or enlarge this company's facilities at Montmagny?

• (1410)

HON. JEAN MARCHAND (MINISTER OF REGIONAL ECONOMIC EXPANSION): Mr. Speaker, the answer is no, and there is no relationship between what is going on at Montmagny and the closing of the Findlay plant at Carleton Place.

MR. MCBRIDE: Mr. Speaker, I have a supplementary question for the minister. Are we to take it that no application for a grant is at present before the department, as well as no grant having already been provided?

Regional Economic Expansion Information

MR. MARCHAND (LANGELIER): At present there is no application from the company, Mr. Speaker.

Mr. Speaker, I should like to point out that the firm of A. Belanger Ltée and the firm of Belanger-Tappan Limited are one and the same. In the words of the law, "the matter speaks for itself". I will not go beyond pointing out that the apparent conflict between the statement made in the document that was issued under the authority of the minister and the statement voluntarily made by the minister in the House is such as can only be investigated in a committee of this House where witnesses can be called, put under oath, questioned and cross-examined. I believe it is the right and due of any member to obtain correct information from ministers of the Crown. That right is the very keystone of the privileges of the parliamentary process.

Therefore, with your approval, Mr. Speaker, I move, seconded by the member for Peace River (Mr. Baldwin):

That the Standing Committee on Privileges and Elections forthwith inquire into and report upon the matter of the information published by the government relating to federal grants to A. Belanger Ltée, a Montreal firm, for projects at Montmagny, Quebec, and the information given to the House by the Minister of Regional Economic Expansion during oral questions on the 28th February, 1972 in reply to the member for Lanark-Renfrew-Carleton (Mr. McBride) respecting "Closing of Carleton Place Factory by Belanger-Tappan Limited—Inquiry as to Grant for Montmagny Plant", and that the report of the committee, with its recommendations thereon, be made to the House as quickly as possible.

Mr. Speaker: The hon. member for St. John's East has filed with the Chair the notice required under the terms of Standing Order 17. With respect, I suggest to the hon. member that the matter which he proposes for consideration by the House cannot come before us by way of a breach of parliamentary privilege. I remind him and all hon. members that the whole question of the administration of the Department of Regional Economic Expansion, including the question of the minister's administration, is now before the Standing Committee on Regional Development. I would suggest that the hon. member's claim that there is a discrepancy between a verbal reply given by the minister and a publication issued by his department should be considered by the Standing Committee on Regional Development rather than by the Standing Committee on Privileges and Elections.

The hon. member suggests in his presentation to the House that this kind of matter should be considered in committee where witnesses can be called and examined. I would think that that could be done and should be done not by way of breach of privilege of the House but in the appropriate committee. There is a long line of rulings, as the hon. member knows, that discrepancies between statements made by a minister cannot be brought up in the House for consideration by way of a breach of parliamentary privilege.

Therefore, consistent with long-established practice I have to rule that there is not a prima facie case of privilege to be considered by the House at this time.

Mr. McGrath: Mr. Speaker, I wonder if I could rephrase the motion?

Mr. Speaker: Order, please. Whether the motion were to refer the matter to another committee or not, the decision of the Chair is that this kind of matter cannot be considered to be a breach of parliamentary privilege. Even if the motion were changed I could not agree to putting the matter to the House for discussion and debate by way of a question of privilege.

[Mr. McGrath.]

ROUTINE PROCEEDINGS

POWER

TABLING OF MEMORANDUM ON AGREEMENT WITH NOVA SCOTIA AND NEW BRUNSWICK FOR STUDY OF FUNDY TIDES

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker—

Mr. Baldwin: The minister is always moving about.

Mr. Macdonald (Rosedale): I have found I have to keep moving, Mr. Speaker.

Mr. Baldwin: Why does the minister not move forward instead of backwards?

Mr. Macdonald (Rosedale): Mr. Speaker, my hon. friend is an expert on that.

Mr. Baldwin: I certainly am, having watched the minister.

Mr. Macdonald (Rosedale): Mr. Speaker, pursuant to Standing Order 41(2) I should like to lay on the table a memorandum with respect to an agreement between the premiers of Nova Scotia, New Brunswick and myself on behalf of the federal government concerning a review board to study the question of tidal power in the Bay of Fundy and setting out terms of reference and also the personnel appointed by each of the three governments.

* * *

GRAIN

ANNOUNCEMENT OF INITIAL PAYMENTS FOR WHEAT, OATS AND BARLEY FOR NEXT CROP YEAR

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, in accordance with the practice established by the government for the first time last year of announcing initial payments for wheat, oats and barley prior to seeding time, I wish to inform the House of the level of initial payments which will become effective for purchases by the Canadian Wheat Board for the crop year commencing August 1, 1972.

For the basic grade of wheat, No. 1 Canada Western Red Spring Wheat, the initial payment will be $1.46 per bushel, the same as in the current crop year. The initial payment for No. 3 Canada Western Six-Row Barley will be 96 cents per bushel, an increase of 5 cents on the level presently in effect. The initial payment for No. 2 Canada Western Oats will be 60 cents per bushel, unchanged from the current crop year. All initial payments are basis in store Thunder Bay.

The initial payments for the grades of wheat, barley and oats other than basic grades mentioned will be established by the Canadian Wheat Board and announced at a later date.

I should like to add, Mr. Speaker, that a newsletter will be mailed to all prairie grain producers in the next few days indicating crop prospects, acreage guidelines, and minimum quota levels for the 1972-73 crop year. A minimum total delivery by producers of 505 million bushels of wheat, 260 million bushels of barley, and 13 million bushels of oats is assured in the coming crop year. These are minimum deliveries and if sales require increased deliveries, additional quotas will be opened.

I apologize to hon. members opposite for the shortness of the notice I was able to give them of this matter. However, the very good news of the large sale to the Soviet Union required us to do some final work on that matter. I am sure hon. members opposite will support the high levels of grain which will be received next year as a minimum and also the increase in the initial price for barley.

Mr. Baldwin: When will the government learn how to deliver the grain? How about transportation?

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, as is evident from some "heehaws" we heard in the House when the minister announced the mailing of the newsletter, it is quite obvious that we will take it with more than a grain of salt. We will treat it with the respect that it deserves prior to an election.

Mr. Knowles: This is all being done at government expense.

Mr. Korchinski: May I point out it is evident that the minister was very reluctant to increase—

An hon. Member: Very happy.

Mr. Korchinski: —the price of spring wheat. It is evident that there is no prospect for an increase in wheat prices in the year ahead. It is also evident, therefore, that next year, as pointed out in studies which have been made, there will be no increase in wheat prices. Despite the minister's reassurance that there will be more sales we are not very happy because in the end result it is what you get for your product that really counts. We know that the price of other products has risen. We want the price of our product to rise also, and a prospective increase for wheat is not evident from the minister's statement.

The payment announced for barley is very interesting. A year ago we were told that a certain price would be paid for barley. Then the Canadian Wheat Board committed itself to a certain level of shipments. It was not able to meet that commitment because farmers were getting a higher price from other sources than they could get from the Wheat Board. Consequently, they were not delivering to the Wheat Board. The Wheat Board had to increase the price by ten cents. There was an interim payment. That ten cent increase resulted in a $10 million deficit for the pool account. This year the increase is not 10 cents but 5 cents.

• (1420)

With regard to oats, only 13 million bushels are involved, which is neither here nor there. One can almost completely disregard the amount of oats as they will be used entirely within this country.

Regardless of what assurances the minister may give, transportation of grain in and outside our country must always be foremost. This has been quite evident in the last year. The stabilization bill also enters into this announcement if the minister is going to propose stabilization in the manner he proposed it before. The barley producers would have lost the $10 million under that proposal, and the government has to make up the difference.

May I make one other point. No encouragement for the production of wheat is to be found in the price. The farmers are getting about 40 cents less than they were in 1967-68, and there is no encouragement at all. Even if the price had been increased by 10 cents I do not think anyone would grab for it, but it would have committed the government. It would have indicated that perhaps the government is optimistic about markets and opportunities to sell grain at a higher price.

Although we welcome the fact that the minister has announced prices, we wonder why a statement has been made in this case when the minister merely tabled a report the other day on the sale of wheat to Russia. On this occasion he made comments. If we are going to play a fair ballgame, if the Minister of Justice is going to be a minister of justice, and if justice means anything to him, he should realize that comments on all aspects of grain sales, which are paramount to the total income of not only the Canadian producers but also the—I am sorry Mr. Speaker, but I am being interrupted.

Mr. Speaker: Order, please. I might take this opportunity to interrupt the hon. member for a moment and remind him of the requirements of the Standing Order. From time to time I take the opportunity to remind hon. members that the Standing Order as drafted requires members making comments on ministerial statements to be brief. Sometimes it is difficult to interpret the term "brevity", but I hope the hon. member will consider bringing his remarks to a conclusion as soon as possible.

Mr. Korchinski: I appreciate Your Honour's comments. I will only be another minute. When the Solicitor General (Mr. Goyer) took a fairly long time to make a statement the other day I thought that this was an acceptable procedure of the House.

I only want to say I do not think the minister gave any indication that there will be an increase in revenue for the western grain producers. Every indicator shows that they will have reduced incomes. The 5 cents which the minister has offered on barley will certainly be very discouraging even for the barley producers because of the $10 million loss last year. In other words, they might as well get out of the business.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, at least the minister is coming into the House with forecasts and is stating what he considers to be reasonable objectives that farmers can meet this year. I hope this may indicate that the minister has returned to the basic con-

cept upon which the Wheat Board was established, that of an agency to sell grain and return the proceeds of those sales to the farmers.

I hope he has finally got away from projects such as Lift, has finally abandoned the intricacies and convolutions of grain stabilization programs and has returned to the position where he intends to move the grain and get the high dollar for the farmer. If this is any indication he intends to do that, we shall all cheer.

I would point out one thing to him. Taking the initial prices for the three grains, the initial price for barley should be increased. The minister has concerned himself with distortions in production. The low initial price for barley may be one of the factors which will distort production in the coming year.

I think, also, that the study on the rationalization of transportation and storage should be released to the public without delay. Unless this is done, the system of handling, storing and moving grain will not make the progress which should be made. We are in a crisis with regard to the movement of grain to the west coast. This is common knowledge. Before the House is dissolved, before we go into an election, the minister in charge of the Wheat Board or the Minister of Transport should bring forward an all-inclusive program in relation to the movement and storage of grain. If this is delayed for another year we will have lost that much time in implementing a program to meet this crucial problem for Prairie farmers. This is our lifeline and if the government does not bring some program into the House before the next election it will be failing in its responsibilities to the grain farmers of western Canada. I take the opportunity to say this to the minister in the House because there will be changes in the grain handling industry in any case and unless they are properly directed they may very well not be the ones we want.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, considering that I have read the minister's statement in the last few minutes only, it was obviously impossible for me to compare prices for 1971 with those that the minister has just announced for 1972.

In any event, when looking at the budget that was tabled, particularly at the amounts allotted to agricultural expansion and to price support, one finds that, in the primary sector, there is a reduction from this year. Now, it is quite possible that adjustments were made in different sectors.

I note, for instance, that subsidies for dairy products were reduced to $21 million. I cannot say whether this reduction is justified because I have not had the opportunity of studying the matter thoroughly.

At any rate, I say that both in the east and in the west, it is the government's responsibility to give the people of Canada a strong, stable agricultural industry. To this end, the government must give producers advance notice of the prices to be paid them during the crop year. On that point some headway has been made.

Concerning grain, the hon. minister has, for the second consecutive year, made a sufficiently early announcement of his policy, for which I am much thankful to him. I should, however, like to seize the opportunity of once more calling his attention to the existence in Canada, and particularly in the eastern provinces, of a serious feed grain problem

It is urgent that a solution be found. I understand that efforts have been made, that there has been some improvement, but not enough to place eastern producers on the same level as those in the west.

Mr. Speaker, notwithstanding the Prime Minister's statement in Montreal last month that agriculture must learn to be self-sufficient and that grants for agricultural production must be discontinued, I disagree entirely with him on that subject and I should like to put this on the record, because many other sectors of our economy get government grants for their survival. We could see, in the speech that the hon. Minister of Regional Economic Expansion (Mr. Marchand) made yesterday, that my remarks are utterly correct in this respect.

Mr. Speaker, on behalf of the whole agricultural community I wish our governments would get into the habit of being efficient, not only during the last year of their terms of office but throughout their terms, because when I, for instance, hire someone and he is efficient only during the last hour, I say that he has not fulfilled his responsibility and I hasten to fire him.

* * *

• (1430)

[*English*]

LABOUR

TABLING OF DOCUMENT OUTLINING CANADIAN POSITION ON CONVENTIONS AND RECOMMENDATIONS ADOPTED AT 1969 AND 1970 INTERNATIONAL LABOUR CONFERENCES

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, under Standing Order 41(2) I should like to table a document, in English and in French, outlining the Canadian position with respect to conventions and recommendations adopted at the 53rd and 54th sessions of the International Labour Conference at Geneva, June, 1969, and June, 1970.

* * *

MANPOWER

LOCAL INITIATIVES PROGRAM—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I wish to move a motion under Standing Order 43 on a matter of urgent importance, namely, the indiscriminate and indiscreet distribution of large amounts of money under the local initiatives program sponsored by the Department of Manpower and Immigration. I should like to move, seconded by the hon. member for Central Nova (Mr. MacKay):

That a special reference be made, from this House to the Standing Committee on Labour, Manpower and Immigration, to investigate the distribution of funds, to examine the criteria on which the distribution was based, to examine the Minister of Manpower and Immigration and officials of his department, in order to determine

the bases for project decisions of a questionable nature, and to recommend to the House a set of guidelines and principles which would give the representatives of the Canadian people more control over the spending of the taxpayers' dollars on the programs involved.

Mr. Speaker: Is there unanimous consent to the motion proposed by the hon. member?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity; the motion cannot be put.

* * *

TAXATION

SALES TAX REMISSION TO GREAT CANADIAN OIL SANDS LIMITED—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Frank Howard (Skeena): Mr. Speaker, pursuant to Standing Order 43 I should like to seek the permission of the House to move a motion of urgent and pressing necessity, namely, the decision of the government to remit $6 million in sales taxes to Great Canadian Oil Sands Limited. In view of the fact that there was supposed to be a question of need and the company was supposed to be poverty-stricken, whereas subsequently it was discovered that the same company also applied for and received a remission of royalties from the province of Alberta, and as it is a wholly-owned subsidiary of the Sun Oil Company of Philadelphia, whose net revenues were $152 million—

Mr. Speaker: Order, please. The hon. member knows the rule. He is required to put the motion without argument or debate.

Mr. Howard (Skeena): I had just reached the point of proposing the motion, Mr. Speaker. I move, seconded by the hon. member for Timiskaming (Mr. Peters):

That the Standing Committee on Justice and Legal Affairs—

This committee was chosen deliberately because justice is needed here.

—be authorized to inquire into the decision of the government to remit $6 million in sales taxes to Great Canadian Oil Sands Limited with particular reference to (1) the public interest (2) the remission of royalties by the Alberta government, and (3) the financial position of Great Canadian Oil Sands Limited and its relationship to Sun Oil Company of Philadelphia as well as to the financial position of the said Sun Oil Company.

Mr. Speaker: Does the House give unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity; the motion cannot be put.

FAMILY INCOME SECURITY

IMMEDIATE PRESENTATION OF LEGISLATION—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O.43

Mr. Ambrose Hubert Peddle (Grand Falls-White Bay-Labrador): Mr. Speaker, under Standing Order 43 I should like the consent of the House to present a motion. The government appears to have given low priority again to the proposed family income security plan, even though we on this side of the House had offered to sit for an extra week.

Mr. Speaker: Order, please. I have to take exception to the kind of motion which is now proposed by the hon. member. Hon. members know that Standing Order 43 is a very exceptional Standing Order. If the government were to take advantage of the Standing Order in the way private members are doing, I think there would be a great hue and cry that the government was trying to propose motions without giving due notice. The only justification for the submission of a motion under Standing Order 43 is that the matter in question is of such urgency that the time-honoured, traditional provision that there shall be notice given of any motion proposed to the House by the government, by the opposition or by a private member, cannot be followed. The only exception to that rule is where the matter is of such urgency that a motion should be proposed, either by the government or by a private member, under the terms of Standing Order 43.

I submit that this Standing Order does not provide members with the opportunity to make allegations, statements of fact or alleged fact, in support of the motion proposed. The only statement that can be made, I suggest, must have reference to the matter of urgency. If we get involved in a situation where every day we have motions which are actually debate, every one of the 263 members in the House could tomorrow move three or four motions of this kind without giving due notice. This certainly would not be in conformity with the traditions of this House.

I am not pointing the finger at the hon. member in particular because he is, perhaps, only doing what we have slowly slipped into doing, namely, the submission of argument when he should really be limiting the brief presentation to the question of urgency which would justify the very exceptional circumstance of an appeal to Standing Order 43.

Mr. Bell: I rise on a point of order, Mr. Speaker.

Mr. Speaker: I am just reminding hon. members of the rules. If the hon. member is rising on a point of order, I will hear him.

Mr. Bell: Mr. Speaker, I rise briefly to repeat what I have said before. The main reason that we move these motions is the disgraceful attendance of ministers under the roster system, and I include the Prime Minister (Mr. Trudeau). I should like to draw to the attention of the hon. member for St. Boniface (Mr. Guay) the fact that his leader is away today.

Mr. Peters: A point of order, Mr. Speaker.

Mr. Speaker: The hon. member for Timiskaming is rising on a point of order.

Mr. Peters: Mr. Speaker, I am in agreement with your decision on the last motion moved under Standing Order 43 and on a number of others as well. However, it does seem to me that if members use this method in a bona fide way as a means of putting forward their point of view on a matter of extreme urgency, then there has also to be an obligation on the part of members who refuse to give unanimous consent. I think they should have to stand and object to the putting of such a motion. It seems to me that if this is not done the use of this Standing Order will become a safety valve such as the "late show" and it will lose its importance.

• (1440)

Mr. Speaker: Order, please. The point made by the hon. member has been made before. What the hon.member is suggesting, effectively, is that the Standing Order should be changed. That is a possibility which might be considered by the Standing Committee on Procedure and Organization. I have indeed suggested before that this Standing Order and its operation should be considered by this august body and I am sure that some day they will get around to it. For the moment I do not want to raise a fuss about the matter, particularly in relation to the hon. member for Grand Falls-White Bay-Labrador. He was not at fault any more than others. I thought it might be a good opportunity to make my point of order, and I will be glad to listen to him now.

Mr. Peddle: Mr. Speaker, I would have been long since finished and we would have been halfway through the question period. In any event, the urgency of this question is that this legislation was placed on the order paper last September and allowed to die because the government would not bring it up. I will proceed to my motion. In view of the fact it appears that this legislation will be delayed much further, I move, seconded by the hon. member for St. John's East (Mr. McGrath):

That this House urges the government to present forthwith the legislation on family allowances; that second reading be called by no later than next Monday, and that highest priority be given its passage through the complete legislative mill to permit its earliest possible implementation.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: Hon. members have heard a number of nays and the motion cannot be put.

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CANADA LABOUR CODE

AMENDMENT TO PROVIDE PENSION AT AGE 55

Mr. Rod Thomson (Battleford-Kindersley) moved for leave to introduce Bill C-162, to amend the Canada Labour Code (retirement plan).

Some hon. Members: Explain.

[Mr. Peters.]

Mr. Thomson: Mr. Speaker, at the present time employees who are released or leave voluntarily from a federal work or undertaking as a going concern are not entitled to pension benefits if they leave before the retirement age. The purpose of this bill is to require the employer of such an undertaking to provide to the employee at age 55 a paid-up pension after ten years of work commensurate with the number of years he was in its employ, whether he leaves voluntarily or is released by the employer, and to provide for the employee a guaranteed portion of employer's contribution to the pension plan when the employee has worked over five but less than ten years.

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

AMENDMENT TO PROVIDE PENSION ON PERMANENT CLOSING OF UNDERTAKINGS

Mr. Rod Thomson (Battleford-Kindersley) moved for leave to introduce Bill C-163, to amend the Canada Labour Code (pension on permanent closing).

Some hon. Members: Explain.

Mr. Thomson: Mr. Speaker, at the present time employees with many years of service are subject to losing pension rights when an undertaking permanently closes. The purpose of this bill is to require the employer of such an undertaking, when it is permanently closed, to provide for the employee at age 55 a pension commensurate with the number of years he was in its employ.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT—EMPLOYMENT OF MR. HILDING FRANSON

Question No. 6—**Mr. McIntosh:**

1. During the past two years that Mr. Hilding Franson was employed by the Department of Indian Affairs and Northern Development, was the Minister aware that in this same period Mr. Franson was also in the employ of an engineering firm known as EPEC and, if so (a) what salary was Mr. Franson paid by the Department (b) was the Department officially notified that Mr. Franson was working on behalf of a private firm while he was with the Department?

2. Did the Regina engineering firm of EPEC have any contracts with the Department of Indian Affairs and Northern Development and DREE and, if so, what was the nature of each contract?

3. Have any complaints been received by the Minister or the Department from other engineering firms regarding the dual capacity of Mr. Franson in dealing with government contracts?

4. (a) Was an investigation carried out to ascertain if other departmental employees were involved or associated with such transactions (b) was disciplinary action necessary and, if so, what was the nature of any such disciplinary action?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Indian Affairs and Northern Development and Regional Economic Expansion as follows: 1. According to Departmental records, Mr. Franson was not employed by EPEC during the two years he was employed by this Department. (a) Mr. Franson was classified at the AR-3 level which salary range was $13,836 to $15,723 in 1971. (b) Not applicable.

2. No.

3. Not applicable.

4. (a) Not applicable. (b) Not applicable.

CANADIAN MAJORITY-OWNED COMPUTER FIRMS

Question No. 44—**Mr. Ryan:**

1. At the present time, how many Canadian majority-owned computer firms are in existence?

2. Since 1965, how many Canadian majority-owned computer firms have been taken over by United States companies?

3. Are there any government programs designed to stimulate the growth of the Canadian computer industry and, if so, (a) what are the programs (b) what funds are available to such programs (c) what are the criteria for access to such funds?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of Communications and the Department of Industry, Trade and Commerce as follows: 1. The latest year for which the information required is available is 1969; there were 82 Canadian corporations majority-owned.

2. No statistical information is available on that matter.

3. The Department of Industry, Trade and Commerce administers a number of programs designed to stimulate the growth of all segments of Canadian secondary manufacturing industry, including the computer industry. A wide variety of programs is available including the Industrial Research and Development Incentives Act, the Program for the Advancement of Industrial Technology and the General Adjustment Assistance Program. The Department distributes brochures and pamphlets to industry giving full details and criteria for these programs. The funds available under these programs are set forth in the Department's annual estimates.

INCENTIVE GRANTS ADVISORY BOARD

Question No. 50—**Mr. McCleave:**

1. Who are the members of the committee from outside government, who supervise the application of the DREE grants to industries and the allocation of subsidies?

2. Are these people paid for such supervision and allocation and, if so (a) on what basis (b) what amounts have been paid to each for such services in 1971?

3. Do these people hold meetings and, if so, what secretarial and other services are provided for them?

4. Do these people receive travelling and living allowances and, if so, what amounts did each receive in 1971?

5. Do these people take any oath regarding their duties and, if so, what is the nature of the oath?

Hon. Jean Marchand (Minister of Regional Economic Expansion): 1. The members, from outside government, of the Incentives Advisory Board, which advises the Department of Regional Economic Expansion on the application of its industrial incentives program, are: Mr. E. Kendall Cork; Mr. Jack Estey; Mr. Robert H. Jones; Mr. L. Beaudoin (resigned 1/1/72); Mr. M. W. Mackenzie; Mr. L. H. Lorrain (appointed 15/12/71).

2. No.

3. Yes, one meeting per month. Secretarial services are provided by the Department.

4. Yes; Mr. E. Kendall Cork, $919.07; Mr. Jack Estey, $1377.14; Mr. R. H. Jones, $1466.53; Mr. L. Beaudoin, $176.00; Mr. M. W. Mackenzie, $400.00.

5. No.

SALARY RANGE FOR CHAIRMAN AND MEMBERS OF PENSION REVIEW BOARD

Question No. 52—**Mr. McCleave:**

What is the salary range for the Chairman and other members of the Pension Review Board?

Hon. Arthur Laing (Minister of Veterans Affairs): Chairman, $22,000-$27,000; other members, $20,000-$25,000.

ARDA PROGRAM--COURSES IN FARMING

Question No. 53—**Mr. Laprise:**

Under the ARDA program, have any grants been made for courses in farming and, if so (a) in what years (b) in what amounts?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): No.

[*English*]

CANCER RESEARCH

Question No. 66—**Mrs. MacInnis:**

1. How many lives were lost in Canada in the fiscal year 1969-70 due to lung cancer?

2. How much money did the Department of National Health and Welfare accord for cancer research directly to the National Cancer Institute of Canada in the fiscal year 1969-70?

3. What has been the total financial support of the National Cancer Institute from federal sources since 1947?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am informed by Statistics Canada and the Department of National Health and Welfare as follows: 1. Statistics on the number of deaths due to lung cancer are collected on a calendar year rather than fiscal year basis. For the 1970 calendar year there were 5,048 deaths due to lung cancer.

2. Under the National Health Grant program, $350,000 was paid directly to the National Cancer Institute for cancer research. This does not include the grants of the Medical Research Council.

3. More than $4,000,000 for the period 1948-49 to 1970-71, from the Department of National Health and Welfare.

Questions

FINANCIAL ASSISTANCE TO FLOOD VICTIMS

Question No. 69—**Mr. McCleave:**

1. What requests have been made by the Government of Nova Scotia for financial assistance to victims of flooding in 1971?

2. What has been the government's response?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): 1 and 2. Nova Scotia suffered damage from two severe storms in 1971; first, in the very early spring, flooding caused damages assessed at less than $500,000 and second, Hurricane Beth, later in the year apparently resulted in more severe losses. The Government of Nova Scotia requested financial assistance in respect of damages arising from the early spring flood but did not qualify under the cost-sharing formula which has been applied in similar cases in the past. (See answer to question 748, *Hansard*, February 3, 1971). No request has been received for federal financial sharing in provincial costs arising from Hurricane Beth.

SHUBENACADIE RIVER CROSSING

Question No. 72—**Mr. McCleave:**

Have any submissions been made in 1971 by the Government of Nova Scotia to the Department of Regional Economic Expansion with regard to the Shubenacadie River Crossing and, if so, what were the submissions?

Hon. Jean Marchand (Minister of Regional Economic Expansion): No.

MIDWIFERY DEMONSTRATION PROJECTS

Question No. 77—**Mr. Rynard:**

1. By province, how many demonstration projects are being carried out to train nurses in the practice of midwifery?

2. By province, what is the amount of the National Health grant for this project?

Hon. John C. Munro (Minister of National Health and Welfare): 1. and 2. No application has been received as of this date, under the National Health Grant program, to support demonstration projects for the training of nurses specifically in the practice of midwifery. However, the following projects have received financial support under this program to expand the role of the nurse as nurse practitioner and which may involve this particular activity as a component.

SHUBENACADIE RIVER CROSSING

Question No. 71—**Mr. McCleave:**

Have any submissions been made in 1971 by the Government of Nova Scotia to the Department of Transport with regard to the Shubenacadie River Crossing and, if so, what were the submissions?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): The Canadian Transport Commission advises as follows: The Premier of Nova Scotia has made representations to the President of the Canadian Transport Commission on a confidential basis.

[Mr. Jerome.]

Ontario

The contribution of a nurse practitioner to health care of patients in a medical practice—Queen's University—Kingston. Amount approved 1971-72—$11,378.65.

The study of the role of a nurse in a family practice unit—School of Nursing, University of Toronto. Amount approved 1971-72—$19,525.

The job of a nurse practitioner in a family practice unit—McMaster University—Hamilton. Amount approved 1971-72—$6,900.

Study of nurse activities in primary care setting—McMaster University—Hamilton. Amount approved 1971-72—$27,681.40.

The Wellesley Hospital Nursing Service project—The Wellesley Hospital—Toronto. Amount approved 1971-72—$15,113.

Manitoba

Comprehensive family care project—Children's Hospital of Winnipeg. Amount approved 1971-72—$14,090.

Alberta

The practicing physician and allied health personnel—a study of the team approach in the delivery of personal Health care—University of Alberta—Dept. of Community Medicine. Amount approved 1971-72—$39,978.46

*COST OF PUBLICATION OF BOOKLET ENTITLED "HOW YOUR TAX DOLLAR IS SPENT"

Question No. 79—**Mr. Rynard:**

1. What was the cost of preparation, publication and distribution of the booklet "How Your Tax Dollar Is Spent"?

2. How many copies of this booklet were printed?

3. Was the circulation list of the RCAF Association made available to Information Canada and, if so (a) by what means (b) on whose authority was such an arrangement concluded (c) what was the cost, if any, involved?

4. Are these circulation lists and similar lists, considered to be private, to be used to send other government propaganda?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I am informed by the Treasury Board secretariat and Information Canada as follows: 1. Preparation, $9,268; publication, $88,092.

2. 600,000 copies.

3. No.

4. No.

COST OF SURVEY MADE BY FOOD AND DRUG DIRECTORATE

Question No. 80—**Mr. Rynard:**

1. What was the cost of the survey made by inspectors of the Food and Drug Directorate of the Department of National Health and Welfare in January 1971 in Halifax, Montreal, Toronto, Winnipeg and Vancouver on the retail prices of some common drugs?

2. For what reason did the Food and Drug Directorate do a survey on drug costs when all previous surveys tested for quality and safety of drugs and inspection of drug manufacturing facilities?

3. For what reason was this survey not conducted by the Department of Consumer and Corporate Affairs?

Hon. John C. Munro (Minister of National Health and Welfare): 1. The cost of the survey has been calculated from records as 35 cents per pamphlet.

2. Ministers have indicated on numerous occasions the Government's concern about the high cost of drugs. Although data on comparative drug costs are being supplied regularly to the health profession by means of the Drug Bulletin sent to physicians, pharmacists, veterinarians and dentists, it was considered desirable to also provide information on drug costs directly to consumers, in order that they might be able to reap the economies which can result from comparison shopping.

3. The interests of the disadvantaged consumers of Canada are of concern to both the Department of National Health and Welfare and the Department of Consumer and Corporate Affairs. Resources were provided by the Department of National Health and Welfare for the survey conducted in January of this year.

GOVERNMENT EXPENDITURES COVERING FLQ KIDNAPPERS OF JAMES CROSS

Question No. 106—**Mr. Fortin:**

1. Has the government made any expenditures on the FLQ kidnappers deported to Cuba, and, if so, what amount?

2. Does the government pay compensation to Cuba in respect of these people and, if so, what is the annual amount?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. No, the Canadian Government has not made any expenditures on the FLQ kidnappers.

2. No, the Canadian Government does not pay compensation to the Government of Cuba in this matter.

DREDGING OPERATIONS—ST. LAWRENCE RIVER BETWEEN LÉVIS AND MONTMAGNY

Question No. 109—**Mr. Lambert (Bellechasse):**

1. Are any dredging operations now in progress in the St. Lawrence between Lévis and Montmagny and, if so (a) what department is responsible for such operations (b) what is the probable duration of such operations?

2. Was a contract issued for the dredging and, if so (a) what company was awarded the contract (b) what is the total amount of the contract?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): 1. Yes. (a) Department of Transport. (b) A period of three years commencing summer 1971.

2. Yes. (a) Marine Industries Limited of Montreal, McNamara Corporation Limited of Willowdale and The J. P. Porter Company Limited of Montreal—joint venture. (b) 4 October, 1971. (c) $20,860,000.

PRODUCTION OF DOCUMENTS ON TAX RETURN

Question No. 128—**Mr. Coates:**

1. How many copies of the White Paper on Taxation were produced, who produced them, and at what cost?

2. How many copies of the original Bill C-259 were produced, by whom, and at what cost?

3. How many amended versions of Bill C-259 were produced, by whom, and at what cost?

4. What additional information was produced in pamphlet form with regard to the White Paper on Taxation and Bill C-259, who produced it, how many copies of each were produced, and at what cost?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Finance and Supply and Services, as follows: 1. The Canadian Printing Bureau printed 175,500 copies of the White Paper on Taxation at a total cost of $61,668.55.

2. 14,585 copies of Bill C-259 were produced in First Reading form by the Printing Bureau at a cost of $106,471.

3. Two amended versions: (a) Revised First Reading as amended by the Committee of the Whole, and, (b) Third Reading form were produced by the Printing Bureau. The revised First Reading cost was $13,446, and the Third Reading is $38,898.

4. Additional information on the White Paper and Bill C-259, all produced by the Canadian Government Printing Bureau, included: 5,800 copies of White Paper highlights, $1,412.06; 140,000 copies of a Summary of 1971 Tax Reform Legislation, $51,567.83; 19,000 copies of Highlights of the June 18 Budget Measures and Tax Reform Legislation, $5,846.13.

DEPARTMENT OF TRANSPORT—HIRING OF CONSULTANT

Question No. 130—**Mr. Coates:**

1. Has the Department of Transport, through its Corporate Planning Branch or any other branch, hired a consultant in strategic planning and, if so (a) what is the name of the consultant (b) what are his responsibilities (c) how long has he been in the employ of the Department (d) is he under a specific contract or on a *per diem* rate and in either case, what are the terms of the contract (e) what amount has he received to date in salary and expenses (f) what has he provided to the Department to date in planning and how many of the plans submitted have been utilized by the Department and in what manner?

2. On whose recommendation was this consultant employed and for what period of time will his services be required?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): 1. (a) Yes. The name of the firm is Ernst & Ernst. (b) To provide professional assistance in the design, development and documentation of a comprehensive Strategic Planning System for the Canadian Air Transportation Administration. (c) Periodically since November 2, 1970. (d) Ernst and Ernst are under a specific contract. The terms specify per diem rates for specific services to be rendered. The rates vary according to the seniority of the consultants. (e) Since November 2, 1970 to date, Ernst and Ernst have received $54,580 for consulting services rendered and were reimbursed $5,738 for related travel and living expenses. (f) Assistance in establishing a comprehensive planning system for the Canadian Air Transportation Administration. Ernst and Ernst are not responsible for the actual preparation of plans.

2. The Department of Transport, Management Services Branch, conducted a search for a firm with the required capabilities. This search resulted in a contract with Ernst and Ernst. The contract expires March 31, 1972.

Questions

FEDERAL GRANT TO SURREPTITIOUS REDEMPTION ASSOCIATION OF LONDON

Question No. 139—**Mr. MacDonald (Egmont):**

1. Has the Surreptitious Redemption Association of London received a grant from the government and, if so (a) in what amount (b) on what basis has this amount been allocated (c) when was this association established (d) what are its stated aims and purposes (e) will reports be required?

2. Are grants of a similar nature being made to other associations in Canada and, if so, to whom and in what amounts?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): 1. The Surreptitious Redemption Association of London has been awarded a grant by the Citizenship Branch of the Department of the Secretary of State.

(a) $5,000.

(b) The grant was awarded on the basis that the work of the group meets one of the objectives of the Citizenship Branch in awarding grants, i.e. citizenship participation.

(c) The association was established in September, 1970.

(d) The aims and purposes of the organization, as they are stated in the original submission sent to the department, are: (i) to give ample opportunity for self-expression to London youth in a setting of care and friendship; (ii) to provide a contact and discussion centre for such youth to determine their own future without outside interference, in an atmosphere of co-operation with the greatest number of social agencies and organizations; (iii) to educate both the community at large in the problems of youth, as seen by themselves, and to educate these youth in the resources and areas available within the community.

(e) A full report of their experience and the results of their work has been requested at the conclusion of four months.

2. No other grants have been given under the Citizenship Development Program during this fiscal year specifically to enable "alienated youth" to become involved in society,—leaving aside grants awarded by the Opportunities for Youth program.

[*English*]

GOVERNMENT EXPENDITURES COVERING FLQ KIDNAPPERS OF JAMES CROSS

Question No. 142—**Mr. Deakon:**

Was there any financial agreement entered into between Canada and Cuba with reference to the maintenance and support of the exiled kidnappers of James Cross and, if so, what was Canada's commitment?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. No, there was no such financial agreement or arrangement.

INDIAN CHILDREN—SCHOOL ATTENDANCE

Question No. 146—**Mr. Orlikow:**

1. How many Indian children attend elementary schools and how many attend secondary schools and of these how many are attending schools which are (a) purely Indian (b) integrated?

2. How does the percentage of Indian students attending (a) elementarly schools (b) secondary schools compare with the percentage of the whole population attending elementary schools and secondary schools?

3. How many Indian students are attending universities or other advanced educational institutions?

[Mr. Duquet.]

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of Indian Affairs and Northern Development and Statistics Canada as follows:

1. In 1970-71

	Indian	Integrated	Total
Elementary	26,003	31,085	57,088
Secondary	262	8,509	8,771
*Special Courses	127	1,448	1,575

*Special courses are courses of three months duration or less not normally requiring high-school certificate.

2. In so far as Indian students are concerned: (a) 84.7 per cent were attending elementary schools as of March 31, 1971. (b) 13 per cent were attending secondary schools as of March 31, 1971.

In so far as the whole student population attending elementary and secondary schools is concerned: (a) 73.6 per cent of the total school population were attending elementary schools in the 1969-70 school year. (b) 26.4 per cent of the total school population were attending secondary schools in the 1969-70 school year.

Figures are not available for the 1970-71 school year.

3. As of March 31, 1971, enrolment of Indian students in universities or other advanced educational institutions was as follows: University 432 (This figure includes enrolment to summer courses Professional courses 601 (This figure includes courses in teaching and nursing)

INDIAN STUDENTS—SCHOOL ATTENDANCE

Question No. 147—**Mr. Orlikow:**

1. How does the percentage of Indian students beginning secondary schools compare with the percentage of the whole population beginning secondary schools?

2. How does the percentage of Indian students graduating from secondary schools compare with the percentage of the whole population graduating from secondary schools?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): This identical question was asked on February 5, 1970 and the information provided was based on 1967-68 academic year, the last year for which the information was available. However, in so far as the Department of Indian Affairs and Northern Development is concerned: 1. In 1969-70 approximately 90 per cent of Registered Indian Students enrolled in Grade 8, entered Grade 9 the following year.

2. In 1969-70, approximately 69.8 per cent of Registered Indian Students who were enrolled in Grades 12 and 13 successfully completed the year.

In so far as Statistics Canada is concerned: 1. 97.8 per cent of the total number of students enrolled in grade 8 in 1968-69 were enrolled in grade 9 in 1969-70. Figures are not yet available for 1970-71.

2. Statistics Canada does not have information on the number of students who graduated from secondary school.

LOSS OF EXPORTS AS A RESULT OF IMPOSITION OF UNITED STATES SURCHARGE

Question No. 152—**Mr. Orlikow:**

1. What is the estimate by the government of the loss of exports (not the exports affected) by the imposition of the United States surcharge?

2. What was the estimate of unemployment for the next 12 months made by the government before President Nixon imposed the ten percent surcharge?

3. What is the present estimate of unemployment for the next 12 months made by the government?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Industry, Trade and Commerce and Finance as follows: 1. The survey carried out in August 1971, by the Department of Industry, Trade and Commerce of 1,300 firms affected by the surcharge suggested that the direct loss of export sales at annual rates could approach $400 million after three months, $700 million after six months and $900 million after one year. The Department has not attempted to assess the actual loss of affected exports in relation to these estimates because of the difficulty of isolating the effects of the surcharge from other factors which have influenced Canadian merchandise exports.

2. and 3. The government does not provide specific quantitative official forecasts of the level of unemployment.

DEPARTMENT OF AGRICULTURE—TECHNICAL COMMITTEE TO HELP SMALL FARMERS

Question No. 157—**Mr. MacDonald (Egmont):**

1. On what date was the first meeting of a Technical Committee created by the Minister of Agriculture to deal with the development of a national program to help small farmers in Canada?

2. Who are the members of this committee and how were they chosen?

3. What specific matters will they consider and is this committee receiving representations?

4. To whom will their recommendations be made and will their discussions be of a public or private nature?

5. On what dates will they make an interim and a final report?

6. What arrangements will be made for provincial and/or regional representation?

7. What method will ensure consultation with farmers and the farming community in Canada?

Hon. H. A. Olson (Minister of Agriculture): 1. November 30th, 1971.

2. The committee members were chosen by the Ministers of Agriculture and are as follows: British Columbia, Mr. Maurice King; Alberta, Mr. J. W. Clarke; Saskatchewan, Mr. D. F. McArthur; Manitoba, Mr. W. P. Janssen; Ontario, Mr. K. E. Lantz; Quebec, Mr. Claude Simoneau; New Brusnwick, Mr. Raymond Scovil; Nova Scotia, Mr. Walter Grant; Prince Edward Island, Mr. Garry Ryle; Newfoundland, Mr. Gerry O'Riley.

Federal: Dr. R. P. Poirier, Dr. D. H. Plaunt, Mr. W. T. Burns, Mr. George Owen, and Mr. E. Carr.

3. The technical committee is to suggest a method to reconcile the federal and provincial proposals for assisting low income farmers. It is to propose minimum acceptable levels within an agreed national framework. It will also make recommendations on methods of administrating this program. The committee will not be receiving representations.

4. To a private meeting of federal and provincial ministers of Agriculture.

5. A second meeting of the committee was held on December 21 and the final report will be drafted shortly.

6. All provinces are represented on the committee.

7. No formal direct method of consultation with farmers has been set up for the technical committee. Farmers' organizations were consulted in the process of developing the program.

P.E.I.—PRODUCTION OF CRANBERRIES

Question No. 161—**Mr. Macquarrie:**

1. For each of the past ten years, what has been the total production of cranberries in Prince Edward Island?

2. In each year, what was the estimated cash value of these crops?

3. Has any branch or department of the Government of Canada been involved in providing assistance in research or marketing in respect to cranberry growing?

4. Have any requests been received for such assistance and, if so, of what kind?

5. What was the total estimated production of cranberries in Canada for each of the past ten years?

6. What was the total cash value for each of the past ten years?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am informed by Statistics Canada and the Department of Agriculture as follows: 1, 2, 5, and 6. The following table provides figures for total production and estimated cash value of cranberries in Prince Edward Island and for all of Canada. Complete data for Prince Edward Island are not available as wild crops are being harvested and, therefore, production and value are to some extent, estimated.

CRANBERRIES

	P.E.I.		Canada	
	1.	2.	5.	6.
Year	'000 lbs. (Production)	Value $000	'000 lbs. (Production)	Value $000
1961.....	60	5	719	107
1962.....	50	7	530	73
1963.....	100	11	1,071	167
1964.....	15	2	1,040	171
1965.....	—	—	1,550	241
1966.....	—	—	1,797	287
1967.....	—	—	2,437	390
1968.....	30	4	3,170	521
1969.....	—	—	2,866	470
1970.....	35	4	5,922	722
1971.....	55	Not yet available	10,520	Not yet available

Questions

3. A research grant of $3,600 was made for 1971-72 to The Nova Scotia Agricultural College, Truro, for a study entitled "Field Studies of Foxberry". This is a species closely related to cranberries. No requests or grants have been made for marketing studies on cranberries.

4. An application is currently on file requesting a research grant of $8,000 for a study in 1972-73 at the University of Moncton (Department of Chemistry) on "Alcaloides de canneberges du Nouveau-Brunswick".

P.E.I.—DESIGNATED PORTS

Question No. 163—**Mr. Macquarrie:**

1. What part does the government play in giving certain fishing centres in Prince Edward Island the status of "designated ports"?

2. What are the criteria governing such designations?

3. What ports in Prince Edward Island have been so designated?

4. For what reasons had Covehead not been designated under this program?

5. What are the responsibilities of the government towards those ports not designated?

6. What facilities, services or development are provided designated ports?

7. What ports have been recommended by the Government of Prince Edward Island for such designation?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of Regional Economic Expansion as follows: 1. The federal-provincial agreement covering the Prince Edward Island Development Plan provides for the expansion of landing facilities to be concentrated in some 14-20 ports, which have become known as "designated ports".

2. Recommendations for designation are made to the joint advisory board by the provincial government, after consultation with the fishing industry and federal and provincial departments of fisheries. Each case is decided on its merits.

3. Tignish, Skinners Pond, Miminegash, Howards Cove, Abrams Village, Alberton, Rustico, Naufrage, North Lake, Grahams Pond, Murray Harbour, Malpeque and Morell.

4. It has not been recommended by the province.

5. Federal responsibilities would be those which it has for all marine facilities under its jurisdiction.

6. Provision is made for adequate wharfage and harbour protection along with the following services on a fully commercial basis: (1) Storage capacity for bait; (2) Holding facilities for the catch; (3) Skidways to facilitate speedy repair.

7. None in addition to those listed in three.

P.E.I.—CONSTRUCTION OF SUBMARINE CABLE

Question No. 164—**Mr. Macquarrie:**

1. Has the government or any Crown corporation given any undertaking to construct a submarine cable for the transmission of electric power to Prince Edward Island from the mainland?

2. Has any research into this project been carried out and, if so, at what cost and over what period?

3. What representations have been received for construction of such a cable?

4. What is the estimated cost of such a cable?

5. What are the estimated advantages of such a cable?

[Mr. Jerome.]

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am informed by the department of Regional Economic Expansion as follows. 1. No. However, it has been included for possible consideration in phase 2 of the Prince Edward Island Comprehensive Development Plan.

2. The cost and feasibility of a power cable connection from P.E.I. to the mainland was studied by the former Atlantic Development Board over the years 1963 to 1969, at a cost of $79,308 for consultants' services. This cost was divided between studies on the feasibility of a submarine cable, amounting to approximately $54,000, and the installation of the power cable link on the crossing structures of the proposed causeway to join the Island with the mainland, which amounted to approximately $25,000.

3. Representations were made to the Atlantic Development Board by Premier Shaw on July 15, 1964 and by Premier Campbell on December 19, 1967. Other provincial authorities requested that it be included in phase 2 of the P.E.I. Comprehensive Development Plan on March 7, 1969.

4. The estimated cost of the submarine power cable inter-connection in 1968 was $6,829,000, based on costs scheduled to provide inservice by 1971.

5. (a) P.E.I. would make arrangements for sales of any surplus capacity to mainland utilities during off peak periods. (b) Access to lower cost power and energy from sources within and outside the Maritime Power Pool. (c) Capital participation in large generating units on the mainland, with resultant savings in cost of power to P.E.I. (d) Access to potentially lower cost peaking capacity (hydro on the Maritime Power Pool).

TEMPORARY WHEAT RESERVES ACT—PAYMENTS MADE TO CANADIAN WHEAT BOARD

Question No. 200—**Mr. Burton:**

1. On what date were payments made to the Canadian Wheat Board under the terms of the Temporary Wheat Reserves Act with respect to amounts due to the Board during the 1970-71 crop year?

2. What was the total amount of the payment made with respect to the 1970-71 crop year and what was the number of bushels of wheat used in the calculation, the carrying charge per bushel and interest on amounts overdue?

3. What was the amount of interest paid on amounts due with respect to the 1970-71 crop year and how was this amount calculated?

4. What amount of the payments made with respect to the 1970-71 crop year was allocated to the Pool accounts for 1969-70 and 1970-71 respectively?

5. On what date or dates were payments made to the Canadian Wheat Board under the terms of the Temporary Wheat Reserves Act for the 1971-72 crop year and what amount was paid on each such occasion?

6. What was the number of bushels of wheat and the carrying charge in cents per bushel used in calculating amounts due during the 1971-72 crop year?

7. What interest has been paid on overdue amounts with respect to payments made for the 1971-72 crop year?

Hon. Otto E. Lang (Minister of Manpower and Immigration): 1. October 13, 1971.

2 and 3. (i) $62,116,018.42; (ii) 284,587,046 bushels; (iii) .05980 cents per bushel per day; (iv) $2,658,999.04; (v) Interest was calculated on the basis of the rate paid by the Canadian Wheat Board to the chartered banks during the period August 1, 1970 to October 12, 1971.

4. 1969-70 pool account, $38,588,326.65; 1970-71 pool account, $23,527,691.77.

5. (i) October 14, 1971, $7,710,000; (ii) November 9, 1971 $2,570,000.

6. (i) 155,258,272 bushels; (ii) .05426 cents per bushel per day.

7. Payments under the Temporary Wheat Reserves Act are normally made after the end of each month for which payments are due. In the 1971-72 crop year payments for the months of October, and November were made to the Wheat Board in advance to offset any interest which might be said to have accrued for the current year.

PRESIDENT OF STANDARDS COUNCIL OF CANADA

Question No. 203—**Mr. Skoberg:**

1. What is the name of the President of the Standards Council of Canada?

2. What are his responsibilities?

3. What remunerations, honoraria or other payments does he receive from the government?

4. Is the incumbent a member of the board of directors of any companies and, if so, what are the names of those companies?

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1. Brigadier General Jean P. Carrière.

2. To ensure that the Standards Council of Canada carries out the objects set out in the Standards Council of Canada Act with respect to fostering and promoting voluntary standardization in Canada and Canadian participation in international standardization activities.

3. $150 for each day that he is engaged in the performance of his duties as President of the Standards Council of Canada and travelling expenses arising in the course of his duties.

4. Brigadier General Carrière is a member of the board of directors of the following companies: Mutual Life Assurance Company of Canada; Combined Engineered Products Ltd.; Canadian Oxygen (1963) Limited; Bell Asbestos Mines Ltd.; Canadian Stebbins Engrg. & Mfg. Co. Ltd.; and Franki Canada Limited.

MILITARY AIR ATTACHÉS

Question No. 208—**Mr. MacLean:**

1. How many military attachés of other countries, including air and navy, were stationed in Ottawa in (a) 1961 (b) 1971?

2. What countries were represented by these attachés in each case?

3. Over this period of time has Canada (a) refused to accept attachés from any country and, if so, what countries (b) suggested to any country having an embassy in Canada that it would be preferable that their staff did not include a military attaché and, if so, which countries?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. (a) 35; (b) 34.

2. (a) Belgium, Britain (11), Czechoslovakia, France, Germany (2), Italy, Netherlands, Poland (2), Spain, Turkey, USSR (5), U.S.A. (6), and Venezuela (2). (b) Argentina, Brazil, Britain (10), Chile, Czechoslovakia, Dominican Republic, France, Germany, Italy, Malaysia, Netherlands, Poland (2), Spain, Turkey, USSR (4), U.S.A. (4), Venezuela (2).

3. The answer to both (a) and (b) is yes, but it would not be in the public interest to disclose the details.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

SHIPMENTS MADE BY CANADIAN INTERNATIONAL DEVELOPMENT AGENCY, 1971

Question No. 70—**Mr. McCleave:**

1. What shipments of commodities, equipment, food and international emergency relief were made by the Canadian International Development Agency during 1971?

2. From what ports or airports were such shipments made?

3. Which brokers arranged the shipments?

4. What vessels or other transportation means were used on the hauls out of Canada?

Return tabled.

FOREIGN SPRAY AIRCRAFT ENGAGED IN WESTERN CANADA

Question No. 90—**Mr. Nesbitt:**

1. Were any duties or taxes levied on the earnings of foreign spray aircraft engaged in Bertha Army worm control in western Canada last August and, if so, what was the number of foreign aircraft paying taxes or duties?

2. What were the names of the owners and/or operators of the foreign aircraft referred to in Part 1?

3. What were the foreign registration markings on these aircraft?

4. Were any foreign non-duty paid aircraft operated commercially on this project?

5. Did the following United States registered aircraft (a) N996X (b) N5251 (c) N8665L (d) N8668L (e) N8556L (f) N7257V participate in the Bertha Army worm project in Saskatchewan and, if so, were they duty paid?

6. Were any duties received from a Mr. Beattie of Tisdale, Saskatchewan on behalf of Singleton Flying Service of Port Pierre, South Dakota?

Return tabled.

COMPANIES MANUFACTURING THREAD USED IN PRODUCTION OF TEXTILES

Question No. 116—**Mr. Lambert (Bellechasse):**

1. Is the thread used in the production of textiles in Canada manufactured in Canada and, if so, what are the names and addresses of the manufacturers?

2. Are these companies capable of manufacturing sufficient amounts of thread to meet the needs of Canadian textile plants?

3. During each of the past three years, did any companies obtain grants from the Department of Regional Economic Expansion or Industry, Trade and Commerce and, if so, which companies?

4. During each of the past three years, did any Canadian companies import thread for the manufacture of their products and, if so (a) from what countries (b) in what quantities (c) at what cost?

Return tabled.

PURCHASE OF DEFENCE COMMODITIES BY FOREIGN COUNTRIES, 1965 TO 1970

Question No. 155—**Mr. MacDonald (Egmont):**

1. What defence commodities were purchased from Canada in the years 1965, 1966, 1967, 1968, 1969 and 1970 by (a) Brazil (b) Burma (c) Pakistan (d) Portugal (e) United States (f) Greece (g) Republic of South Africa (h) Spain?

2. How does the government determine on a continuing basis that defence commodities are not resold to other countries, organizations and individuals?

3. What penalties are invoked for the violation of such resale agreements?

Return tabled.

[*Later:*]

Mr. MacDonald (Egmont): Mr. Speaker, I rise on a point of order. I should have raised it immediately following written questions but I missed the opportunity to do so.

In regard to Question No. 156 presently on the order paper having to do with Canada's observance of International Book Year, I would like to lodge a complaint once again about the erosion of the effectiveness of written questions in this House. I first placed this question on the order paper in the last session on December 14.

It was not answered up to the time the session died in February. I again placed it on the order paper on February 22, and again it has not been answered. However, in its place there was issued from the minister's department last night a news release having to do with some aspects of this question. It seems that the government finds it easier to issue press releases than to submit written answers to members' questions in the context of the rules and procedures of this House.

MOTION TO ADJOURN UNDER S.O. 26

REGIONAL ECONOMIC EXPANSION

ALLEGED CONFLICT OF INTEREST OF CERTAIN MEMBERS OF INDUSTRIAL INCENTIVES ADVISORY BOARD

Mr. John Burton (Regina East): Mr. Speaker, I ask leave, seconded by the hon. member for Winnipeg North Centre, to move the adjournment of the House under Standing Order 26, for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the potential for conflict of interest involved in the dispensing of many millions of dollars of public funds to private corporations under the Regional Development Incentives Act on advice to the Minister of Regional Economic Expansion of the Industrial Incentives Advisory Board, whose members include two executive officers of corporations that received five grants totalling $6.9 million.

[Mr. Lambert (Bellechasse).]

Mr. Speaker: The hon. member for Regina East has filed the notice required under the provisions of Standing Order 26. In essence, what the hon. member proposes is that the House adjourn under the terms of Standing Order 26 for the purpose of debating a policy of the Department of Regional Economic Expansion or of the government in relation to the Industrial Incentives Advisory Board.

It seems to me that Standing Order 26 is not intended to provide an opportunity for debate on such a general and wide question of policy. The hon. member is aware of the terms of subsection 16 of Standing Order 26 to the effect that the matter proposed for discussion must relate to a genuine emergency. It would seem that the matter raised by the hon. member for Regina East does not meet this test and in the circumstances his proposed motion cannot be put.

• (1450)

MOTIONS FOR PAPERS

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, notice of motion for the production of papers No. 7 is acceptable to the government subject to the usual reservations concerning confidential documents and to the authorization of the government authorities concerned.

Mr. Speaker: Subject to the reservations and conditions expressed by the parliamentary secretary, is it the pleasure of the House that notice of motion No. 7 be deemed to have been adopted?

Some hon. Members: Agreed.

COPY OF CORRESPONDENCE BETWEEN MANITOBA AND FEDERAL GOVERNMENT RELATING TO NELSON RIVER POWER PROJECT

Motion No. 7—**Mr. Faulkner:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of all correspondence between the Government of Manitoba and the Government of Canada relating to the Nelson River Power Project to date during 1971.

Motion agreed to.

Mr. Jerome: Mr. Speaker, I ask that the remaining notices of motions be allowed to stand.

Mr. Woolliams: Mr. Speaker, with respect to Notices of Motions Nos. 6 and 15 dealing with the Geoffroy case, since we have been denied a judicial inquiry to date may I ask when we may get an answer with respect to the production of these papers? These notices of motions have been on the order paper since the beginning of the session. I do not think there should be much difficulty producing the documents in reference to the passport that were forged. Neither should there be difficulty in producing the documents in reference to the other matters that the Solicitor General did not disclose the other day.

Mr. Jerome: Mr. Speaker, just before the beginning of today's session I spoke to the Parliamentary Secretary to the Solicitor General (Mr. Hogarth) who will be having some conversation with the hon. member later today about this matter.

ORAL QUESTION PERIOD

POST OFFICE

REASON FOR NEGOTIATIONS NOT HAVING COMMENCED WITH UNIONS ON WAGES AND JOB SECURITY—RESPONSE TO UNIONS' PROPOSALS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to direct a question to the President of the Treasury Board. Arising out of the answer to the hon. member for Edmonton Centre (Mr. Paproski) yesterday that negotiations with the postal unions have not yet reached a point where wages and job security have been discussed, and in view of the intense public concern about strikes in important services of this sort, has the President of the Treasury Board any explanation to give the House why negotiations have not even commenced with regard to wages and job security although the wage contract is to expire on March 27?

Hon. C. M. Drury (President of the Treasury Board): Yes, Mr. Speaker. As is traditional in these matters, the representatives of the employees would prefer to take first, in the period of negotiations, the easiest items. In a contract composed of a very considerable number of articles, nearly all of which have been opened by the unions for negotiation, they have started, as is traditional, with the easier ones, leaving the harder ones for later.

Mr. Stanfield: Mr. Speaker, in view of the fact that the collective agreement expires on March 27, and as I understand that Treasury Board has now received a proposal from the unions with regard to both wages and job security, can the President of the Treasury Board indicate when the government will make a response to these proposals from the unions?

Mr. Drury: Mr. Speaker, I think that rather than try to set a particular date at which a response would be made, I can reassure the hon. gentleman that we will proceed in the most orderly way to deal with the issues as originally agreed.

Mr. Stanfield: I wish to ask one further supplementary question, Mr. Speaker. In view of the track record of the Treasury Board with regard to negotiations in recent times—

Mr. MacEachen: It is an excellent one.

Mr. Stanfield: —I have to ask the President of the Treasury Board whether he intends to make a response before or after the expiry of the collective agreement or whether he proposes to let things drag on so long that the issues can only be finally settled by a strike?

Mr. Drury: Mr. Speaker, I think I can assure the hon. gentleman that there will be a government proposal both with respect to wages and job security before the expiry of the current contract.

* * *

PUBLIC SERVICE STAFF RELATIONS ACT

INQUIRY AS TO AMENDMENTS TO IMPROVE NEGOTIATION PROCEDURES

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I wish to direct a related question to the President of the Treasury Board. In light of the fact that negotiations proceed as set out by the Public Service Staff Relations Act, and that this leaves much to be desired in the sense that there seems to be more confrontation than negotiation during periods of negotiation between the Treasury Board and representatives of the Public Service, is the government seriously considering bringing in amendments to the act in order to improve the procedures and, if so, when can we expect some idea as to its intentions?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I do share most heartily the view of the hon. gentleman that there has developed over the years rather more of a technique of confrontation than real negotiation, and it is our hope to reverse that trend. However, this takes time to do, and I am not sure that merely the introduction of hasty legislation would bring about in a satisfactory way the resolution of this particular problem. This is something which can only be developed by agreement.

Mr. Alexander: Mr. Speaker, I am very pleased to know that the minister is as concerned as I am about it, but would he answer my question and advise me whether in fact the government is delving into this matter in order that legislation can be brought forward? I think it is high time that the whole act was reviewed in view of the confrontation rather than negotiation that exists—

Mr. Speaker: Order, please. The hon. member has asked a question. The minister may want to reply briefly so we can go on to the next subject.

Mr. Drury: As I said a moment ago, Mr. Speaker, we are very much concerned about this and are first endeavouring to discover what is a better arrangement and how best it can be brought about. I am not convinced that legislation in the next month or so would be the answer.

* * *

REGIONAL ECONOMIC EXPANSION

ALLEGED CONFLICT OF INTEREST OF CERTAIN MEMBERS OF INDUSTRIAL INCENTIVES ADVISORY BOARD—REQUEST FOR COMMITTEE INVESTIGATION

Mr. John Burton (Regina East): Mr. Speaker, I wish to direct a question to the Minister of Regional Economic Expansion. Has he considered the potential conflict of interest involved in the fact that four members of the Industrial Incentives Advisory Board are prominent

members of the business community, and has he satisfied himself that there is no potential conflict of interest? In particular, has he investigated the circumstances surrounding grants in 1971 totalling $6.9 million to Noranda Mines Limited, Gaspé Copper Mines Limited and National Sea Products Limited, whose executive officers are members of the advisory board?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Yes, Mr. Speaker, because when we made regulations concerning this matter, this aspect held our attention for quite a long time. It is very difficult to find businessmen who are not, at a certain time, directly or indirectly concerned with requests addressed to our department.

So, we made a regulation under which people who are directly or indirectly concerned with a request submitted to the department or one of its decisions are not to take part in the discussions of the committee, and have nothing to say concerning the decision.

[*English*]

Mr. Burton: Mr. Speaker, would the minister be willing to have this matter referred to the Standing Committee on Regional Development so that it could receive thorough study and examination, particularly in view of the very glib manner in which the department has dealt with the matter?

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, I am not very much concerned with this, but I believe that votes will be submitted to the House and referred to the committee. I shall then be prepared to answer all questions. There is actually nothing to make a fuss about and there is no hushed scandal.

[*Later:*]

[*English*]

Mr. Arnold Peters (Timiskaming): Mr. Speaker, a moment or so ago the minister indicated that those who were representing management on the advisory board would not of course be involved in the granting of loans. Looking over the record of the advisory board, may I ask whether the minister is aware that Mr. Kendall Cork, who is on that board, indicated that he did not miss any meetings and yet Noranda Mines Limited got several millions of dollars in grants when he was vice-president?

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, I should like it to be clearly established that the committee takes no decision with regard to government subsidies. Decisions are made within the department by duly authorized personnel. The committee merely exercises a sort of supervision. That is all, period.

LOCAL INITIATIVES PROGRAM—PAYMENT OF GRANTS TO POLITICAL ORGANIZERS

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I should like to put a supplementary question to the Minister of Regional Economic Expansion.

[Mr. Burton.]

Do the regulations he mentioned a while ago include a provision forbidding the granting of subsidies, through the local initiatives program, to political organizers who are playing politics?

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, this does not fall within my jurisdiction.

* * *

• (1500)

MANPOWER

LOCAL INITIATIVES PROGRAM—REFUSAL OF CERTAIN PROJECTS— AVAILABILITY OF ADDITIONAL FUNDS

Mr. Henry Latulippe (Compton): Mr. Speaker, I should like to put a question to the Minister of Finance.

Can he tell us whether or not it might not be wise to look into the application of the local initiatives program seeing we are told that a large number of projects are turned down for lack of funds, and that urgent achievable projects should be accepted?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I had some difficulty in hearing the question. I shall take it as notice and reply directly to the hon. member.

[*English*]

LOCAL INITIATIVES PROGRAM—GRANTS TO GROUPS ASSOCIATED WITH ROCHDALE COLLEGE

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the Acting Prime Minister in view of the absence of the Minister of Manpower and Immigration and his parliamentary secretary. At the first opportunity will the Acting Prime Minister arrange to have a statement made on motions giving all details of the local initiatives program grants to groups and/or projects either located in or associated with Rochdale College in Toronto totalling $277,000, with particular reference to the grant of $25,900 to a group known as The Process of the Final Judgment for the alleged purpose of "expanding a program to test the resources of young people," when this group is widely reported to promote devil worship with attendant rites and rituals, and also with particular reference to—

Mr. Woolliams: That must be the Liberals.

Mr. Nesbitt: —a group known as Crunch—

Mr. Speaker: Order, please. The hon. member should ask the question quickly. It seems to me that questions ought to be shorter than the one the hon. member is presenting to the House now. He should indicate what the question is as succinctly as possible.

Mr. Nesbitt: On a point of order, Mr. Speaker, I am sorry but I could not hear Your Honour as there was certain extraneous conversation.

Mr. Speaker: I am inviting the hon. member to put his question.

Mr. Nesbitt: I thought I had made it fairly clear, Your Honour, and I think the Acting Prime Minister perhaps heard the substance of the question. I just wish to add, with particular reference to other groups known as Crunch and Commune-iton Collective.

Mr. Speaker: Order, please.

Mr. Nesbitt: A supplementary, or at least—

Mr. Speaker: Order, please. Perhaps the hon. member might allow a reply, and then he can ask a supplementary. We could start with the answer to that question and then go to the supplementary.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I have spoken to the Parliamentary Secretary to the Minister of Manpower and Immigration, and when he is here tomorrow he will be very happy to reply in detail. However, since one particular question was asked I thought I should take the opportunity of replying immediately. I saw the headline in the Toronto *Sun*, from which I think the hon. member got his report, dealing with the so-called Satan organization. May I point out to him that the plan for which application had been made was endorsed by such groups as the YMCA, the mental retardation centre—

Mr. Hees: That is understandable.

An hon. Member: Is that the government?

An hon. Member: The Privy Council office?

Mr. Baldwin: The Liberal party from Eglinton.

Mr. Sharp: —and in the same category, the Department of Health of Ontario, the Toronto Doctors Hospital and, if that is not sufficiently respectable, the Bank of Montreal.

Mr. Nesbitt: A supplementary question. I just ask the Acting Prime Minister, who is apparently a little nervous about this question—

Mr. Sharp: Oh, no!

Mr. Nesbitt: Perhaps the Acting Prime Minister would also arrange to have one of his colleagues inform the House of the reasons for turning down a grant to the Salvation Army branch on Lisgar Street in Toronto for assistance to the unemployed. As far as devil worship is concerned, it does not surprise me that they endorse it.

Mr. Speaker: Order, please. In relation to the question asked by the hon. member may I say that normally questions relating to individual applications, unless in very special circumstances, ought to be placed on the order paper. I appreciate that in some instances there might be special circumstances, but as much as possible individual inquiries ought to be placed on the order paper or considered at the time of adjournment. I would point out to hon. members that we are running behind time.

Mr. Nesbitt: They should send the Prime Minister a long spoon for his dinner tonight.

Hon. Paul Hellyer (Trinity): Does the Acting Prime Minister think it is appropriate for the government of Canada to give $26,000 in public funds to devil worshippers regardless of who recommends them?

Some hon. Members: Hear, hear!

Mr. Speaker: I suggest that is a point of argument. The hon. member for Trinity is inviting the Acting Prime Minister to express an opinion.

LOCAL INITIATIVES PROGRAM—REQUEST FOR COMMITTEE EXAMINATION OF GRANTS

Mr. John Lundrigan (Gander-Twillingate): In order to facilitate matters of this nature in the House, Mr. Speaker, could I ask the Acting Prime Minister or the House leader who was earlier in the House or the parliamentary secretary when he returns from behind the curtain, if they will consider a reference to the Standing Committee on Labour, Manpower and Immigration so that grants such as the one to the worshippers of Satan and other such eminent organizations alluded to by the hon. member for Oxford could be examined. In this way we could determine the basis for such decisions and recommend a set guidelines in order to give the representatives of the Canadian people more control over the dispensation of the taxpayers' dollar.

Hon. Mitchell Sharp (Acting Prime Minister): When the estimates for this department are before the committee there will be ample opportunity, and I am sure the minister and his parliamentary secretary will be able to satisfy hon. members.

Mr. Speaker: Order, please. Hon. members in large numbers are again seeking to ask supplementaries. We will be running short of time and should give an opportunity to other members to ask questions.

* * *

[*Translation*]

OFFICIAL LANGUAGES ACT

DATE OF ESTABLISHMENT OF BILINGUAL DISTRICTS

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I would like to ask a question to the Secretary of State.

Since the Duhamel report on bilingual districts was tabled in the House nine months ago already, and since Official Languages Commissioner Keith Spicer stated recently that it was difficult to act as an ombudsman regarding official languages as long as the government will not proclaim the establishment of bilingual districts, could the minister tell us if the government intends to do so?

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, the matter is under consideration by the cabinet.

Mr. Asselin: Mr. Speaker, I should like to put a supplementary question.

Could the minister tell the House whether the establishment of bilingual districts will be made before the next federal election?

Mr. Speaker: The hon. member wishes to direct a supplementary question.

Mr. Asselin: Mr. Speaker, could the minister tell the House why the government has delayed nine months the establishment of bilingual districts, since they are essential if the Languages Commissioner is to administer the government program, that is the Official Languages Act?

Mr. Pelletier: One of the reasons, Mr. Speaker, is that we had committed ourselves to hold consultations with the provinces, and we did so. I could give several other reasons, but it is not a proclamation which can be made lightly. The government wanted to be quite careful in establishing those districts, especially since available figures dated from 1961.

* * *

[*English*]

NATIONAL PARKS

BANFF—POSSIBLE AGREEMENT WITH IMPERIAL OIL FOR RESORT CENTRE AT LAKE LOUISE

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development and concerns the situation at Lake Louise in Banff National Park where a projected $30 million resort centre is being set up, to be operated by Imperial Oil which is 60 per cent owned by Americans, and Lake Louise Lifts Limited. It encompasses the gradual elimination of facilities near Lake Louise, including the removal of Chateau Lake Louise. I ask the minister whether, technically, any agreement in this regard has been made. Second, since such an agreement, if made, would be detrimental, does he not believe that one of the finest resorts in all the world, in a national park, should not be turned over to a private company?

• (1510)

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, the matter is under consideration. We have made up plans to hold public hearings on that problem. The public hearings will be held in Calgary next week and all persons concerned may attend. It will be only after those public hearings that a decision will be taken by the government.

[*English*]

Mr. Diefenbaker: Mr. Speaker, would the minister say why it was that, with its strong anti-American attitude with respect to investment, the government would even consider permitting Imperial Oil to get so much control over this park? Second, will he not have this matter brought before parliament so that this magnificent park will not be destroyed by bureaucratic considerations?

[*Translation*]

Mr. Chrétien: First of all, Mr. Speaker, I would like to inform the hon. member that the government is not ashamed of its conservation policy. It has created ten new national parks in Canada within four years. When the hon. member was himself Prime Minister, he did not establish a single one—

[Mr. Asselin.]

[*English*]

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please.

Mr. Diefenbaker: Mr. Speaker—

Mr. Speaker: Order, please.

Mr. Diefenbaker: My question was not answered, Mr. Speaker.

Mr. Speaker: Order, please. I suggest that the minister should be given the opportunity to reply to the question. I invite him to do this rather than enter into debate. The minister has the floor. Then, I will recognize the right hon. gentleman for a supplementary.

Mr. Chrétien: Mr. Speaker, this project was allowed to develop after public tenders were called. There were many groups invited to make proposals, but this was the only proposition made when we called for tenders. We are considering it. However, before a decision is made may I point out that public hearings will be held in Alberta and they are starting next week.

Mr. Diefenbaker: Mr. Speaker, I did not ask about tenders. I asked a question about the most beautiful park in Canada, a park which this government is trying to sell out to private interests.

Mr. Speaker: Order, please. I suggested a moment ago that there should not be debate between the right hon. gentleman and the minister.

Mr. Chrétien: Mr. Speaker, I rise on a question of privilege. I should not let this thing go too easily. There has been skiing in the lower Lake Louise area for many years. It was begun a long time before this government took over in 1963.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: That does not justify selling out that part of Canada.

Mr. Speaker: Order, please. I suggest that is not a question of privilege. The Chair will recognize the hon. member for Skeena, who I believe has a supplementary, and then the hon. member for Yukon who also has a supplementary.

Mr. Woolliams: Mr. Speaker, surely we should be permitted to answer the question of privilege raised by the minister. We should be free to do that. He raised a question of privilege relating to the lower Lake Louise area and suggested that there was no free enterprise there. These free enterprises spent $5 million there, and the government knows it.

Mr. Speaker: Order, please. Again I suggest to the minister that he did not have a question of privilege. I was hoping that he would not start a debate, which is obviously what we are doing. I remind hon. members that the question period is quickly running out. If we are to make progress, we should move more quickly and not spend ten minutes on each question. The hon. member for Skeena on a supplementary.

THE BUDGET

INQUIRY AS TO DATE OF PRESENTATION

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct a question to the Minister of Finance about a subject that I am sure is burning in his mind every hour of the day. Can he tell the House when he is going to present his first and, I hope, his last budget?

Hon. John N. Turner (Minister of Finance): I cannot, Mr. Speaker, but I can assure the hon. gentleman that we will survive as long as he does.

Mr. Howard (Skeena): A supplementary question, Mr. Speaker.—

Mr. Speaker: Order, please. The hon. member's supplementary did not refer to the question previously being considered. I did not appreciate that his supplementary was not related to the question asked by the right hon. member for Prince Albert. I will recognize the hon. member for Yukon, who I believe has a supplementary to that particular question.

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NATIONAL PARKS

REQUEST FOR COMMITTEE STUDY OF ESTABLISHMENT OF THREE NEW NORTHERN PARKS

Mr. Erik Nielsen (Yukon): Mr. Speaker, I was glad to hear the minister say that public hearings are to be held into the question of private enterprise incursions into the Lake Louise area of Banff National Park. Would he refer the matter of the establishment of the three northern national parks which he recently announced to the Standing Committee on Indian Affairs and Northern Development so that conservationists and industry might be heard with respect to boundaries and other park problems?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, my department's estimates will be referred to the committee in the near future, and if hon. members then wish to ask me some questions on the matter, I will be pleased to answer them.

* * *

[*English*]

REGIONAL ECONOMIC EXPANSION

POSSIBLE CONFLICT OF INTEREST INVOLVED IN GIVING GRANTS TO FALCONBRIDGE, IBM, UNION CARBIDE AND WESTINGHOUSE

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question really is supplementary to that asked by the hon. member for Regina East. In the absence of the Minister of Regional Economic Expansion, may I direct it to the Acting Prime Minister. Can the Acting Prime Minister tell the House whether any conflict of interest is involved between grants given by DREE to Falconbridge Nickel Mines, IBM, Union Carbide and Westinghouse totalling over $12 million and the announced plans by these companies to book tables for today's Liberal fund raising dinner in Toronto?

Mr. Speaker: Order, please. The hon. member no doubt appreciates that a question asked in those terms is not in order. The hon. member for Prince Edward-Hastings.

Mr. Hees: Thank you, Mr. Speaker. The minister to whom I wished to direct my question, the Minister of Regional Economic Expansion, has fled from the House so I will wait.

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ADMINISTRATION OF JUSTICE

RELEASE OF YVES GEOFFROY FROM ST. VINCENT DE PAUL PENITENTIARY—REPRESENTATIONS FOR NEW TRIAL

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, the Attorney General of Canada took notice of a question of mine the other day.

An hon. Member: Hurrah!

Mr. Woolliams: I asked whether he had been approached directly or indirectly about a new trial for Geoffroy under certain conditions. As I say, he took the question as notice. I now ask whether he has been approached indirectly, either by one of his associates or by anyone else, and how has he been approached? Was it by telephone or by a conference in his office? If so, who was with him and in what manner was he approached?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the use of the word "indirectly" may, as used by the hon. member, be misleading, although I think the word was contained in his earlier question. What I meant in my earlier reply was that at that point I had no personal knowledge of any such contact. I have since checked the matter with my department and they have received no communication on this subject. So there has been no communication with my department or with me on this subject.

Mr. Woolliams: Mr. Speaker, the other day I asked whether the Solicitor General—and I appreciate the niceties of the question—had approached the Minister of Justice, because he says that somebody had contacted him. I want to know from the minister, through you, Mr. Speaker, whether any conversation took place in regard to this, what that conversation was, and who contacted the ministers of the Crown in question?

Mr. Lang: Mr. Speaker, I believe that when this question was put to the Solicitor General he replied. As to the matter of any contact with him I know, although ordinarily we do not make comments about communications between members of the Privy Council on matters like this, that the simple answer is no, flatly; there was no conversation between the Solicitor General and myself.

Mr. Woolliams: Mr. Speaker, may I ask the parliamentary secretary a question about an answer given by the Solicitor General. I had hoped he would be here today. The Solicitor General mentioned, in answering my ques-

tion, that he had been contacted by a person in relation to a new trial for Geoffroy, in accordance with the terms and conditions of the Criminal Code. In what manner was the minister contacted? Was it by telephone or by letter? Also, is he now prepared to divulge to the House the name of that person, the contents of that conversation and what took place?

Mr. Douglas A. Hogarth (Parliamentary Secretary to Solicitor General): Mr. Speaker, I will take that question as notice.

[*Translation*]

RELEASE OF YVES GEOFFROY FROM ST. VINCENT DE PAUL PENITENTIARY—SUGGESTED MEETING BETWEEN MINISTER OF JUSTICE AND MR. RICHER

Mr. Roch La Salle (Joliette): Mr. Speaker, I have a supplementary question for the Minister of Justice.

Considering that Mr. Albert-Paul Richer, a known investigator, stated yesterday that he could guarantee the return of Mr. Geoffroy within 24 hours if the Solicitor General assured Mr. Geoffroy that he would have a new trial, would the Minister of Justice comment on this statement or assure the House that he will get in touch with its author to discuss it with him?

[*English*]

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I can only say that, although I have seen these reports on the matter, I have no personal knowledge of them.

Mr. Speaker: Order, please. I will recognize the hon. member for Sainte-Marie on a last supplementary on this subject, because we shall soon be running short of time.

[*Translation*]

RELEASE OF YVES GEOFFROY FROM ST. VINCENT DE PAUL PENITENTIARY—INQUIRY AS TO PRESENT WHEREABOUTS

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I should like to put a question to the Acting Prime Minister.

Pursuant to Mr. Richer's statement that he could locate Mr. Geoffroy within 48 hours, could the minister tell us if he now knows where Mr. Geoffroy is and under what name did he leave Canada?

• (1520)

[*English*]

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, with regard to questions directed to the Solicitor General and what people may have said to him, I think these questions should properly be directed to him. I have no personal knowledge and neither has the Minister of Justice. The Solicitor General will be in the House and he has told me he will be very happy to answer these questions.

With regard to the second question about the passport, I should inform the House that at ten o'clock today charges were laid against Madame Geoffroy née Parent. Four charges were laid: false declaration in order to obtain a passport, possession of a false passport, counterfeiting, and the use of counterfeit documents. These charges were laid at ten o'clock this morning before Mr. Justice Emorand.

Mr. Speaker: Order, please. I again suggest to hon. members that for the moment we go on to the next subject. The hon. member for Fraser Valley West.

Mr. Woolliams: I rise on a point of order, Mr. Speaker. We have now had some answers. Ministers come and go as if they were playing a game of musical chairs. If we do not ask the questions today we will not have the ministers here tomorrow. As far as I am concerned, the Secretary of State for External Affairs has made an important statement. We would like to know if these people are under arrest, what they are doing and so on.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Woolliams: I think we are entitled to an answer.

Mr. Speaker: The point made by the hon. member for Calgary North may be well taken. Until we return to this question, I thought we might give other hon. members an opportunity to ask questions. The Chair will recognize the hon. member for Fraser Valley West and return to this matter in a moment.

Mr. Baldwin: I rise on a point of order, Mr. Speaker. Can we not regard the statement made by the Secretary of State for External Affairs as a statement on motions and give hon. members an opportunity to respond to it?

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PUBLIC SERVICE

OPERATIONAL GROUP—USE OF REGIONAL RATHER THAN NATIONAL PAY SCALES IN BARGAINING—POSSIBLE CONFLICT WITH DREE OPERATIONS

Mr. Mark Rose (Fraser Valley West): I wish to direct a question to the President of the Treasury Board. During the negotiations between Treasury Board and the occupational groups in the operational category of the Public Service, has Treasury Board been bargaining for the acceptance by the operational category of regional rather than national pay scales?

Hon. C. M. Drury (President of the Treasury Board): The answer to that, Mr. Speaker, is in the affirmative. It has been the policy of successive governments to move from a scheme of national scales of wage rates to ones which are more appropriate and more commensurate with local operating conditions.

Mr. Rose: Since the Department of Regional Economic Expansion is engaged in spending millions of public dollars in an effort to reduce regional disparity, is the Treasury Board's posture on regional pay rates not entirely contradictory to that of DREE?

Mr. Speaker: I suggest to the hon. member that this is argument and to that extent the question is not in order.

USE OF REGIONAL RATHER THAN NATIONAL PAY SCALES IN BARGAINING—POSITION OF FORMER GOVERNMENTS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask the President of the Treasury Board a supplementary question arising out of his statement that this has been the policy of successive governments. How many governments in Canada have been moving away from the national scale policy?

Mr. Speaker: Order, please. I am not sure whether this question was presented in the form of an argument. I may have misunderstood the question asked by the hon. member. If I did misunderstand, the minister may reply to it briefly. He will be recognized for that purpose.

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, as collective bargaining has only been in operation since 1967, the answer is two.

Mr. Knowles (Winnipeg North Centre): Both Liberal.

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ADMINISTRATION OF JUSTICE

POSSIBILITY OF LOCATING MR. AND MRS. GEOFFROY FOR RETURN TO CANADA TO FACE CHARGES—ISSUANCE OF WARRANT FOR MRS. GEOFFROY

Mr. Eldon M. Woolliams (Calgary North): In light of the statement just made by the Acting Prime Minister, and I want to do this properly, from the investigation that has been made is the minister now able to report progress in ascertaining where Geoffroy escaped to, what plane he took, if any, who accompanied him and if he is residing in a nation where extradition would apply? The minister told us today that the lady in question is being charged with certain offences. Was that done because of knowledge it will be possible to bring these people back to justice?

An hon. Member: Oh, oh!

Mr. Woolliams: Will the member for Calgary South keep quiet.

Hon. Mitchell Sharp (Acting Prime Minister): Broadly speaking, Mr. Speaker, I think the answer to the question is yes. We are very anxious to get Geoffroy and his wife back—Mr. Geoffroy back in prison and Madame Geoffroy to stand trial on the accusations which have been made.

Mr. Woolliams: I am sorry, I did not hear. There was a little noise. Did I understand the minister to say he has knowledge where these people are and, through the administration of justice, is in the act of having them returned to Canada?

Mr. Sharp: Mr. Speaker, I said I agreed with the hon. member that we are trying to get them back. I do not personally know, and I do not know whether the police in the course of their investigation want to reveal their suspicions, because their desire, of course, is not to feed public curiosity but to get the Geoffroys back.

Mr. Erik Nielsen (Yukon): A supplementary question. In view of the fact that these four counts have been laid against Madame Geoffroy, can the Secretary of State for External Affairs advise the House whether a warrant for her arrest has been issued and whether such warrant is Canada-wide?

Mr. Sharp: Yes, Mr. Speaker, there has been a—

[*Translation*]

A warrant for his arrest was also issued.

RELEASE OF YVES GEOFFROY FROM ST. VINCENT DE PAUL PENITENTIARY— SUGGESTION THAT MR. RICHER BE CONTACTED

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, my question is directed to the Secretary of State for External Affairs.

Following the statement he just made, would the minister say if consecutive to Mr. Richer's assertion reported in today's newspapers his department has tried to arrange a meeting with Mr. Richer or has given any instructions to this effect in order to find out exactly where the fugitives are?

[*English*]

Hon. Mitchell Sharp (Acting Prime Minister): The answer is no, Mr. Speaker.

Mr. Ricard: You are not trying to get him.

RELEASE OF YVES GEOFFROY FROM ST. VINCENT DE PAUL PENITENTIARY—REQUEST FOR TABLING OF PASSPORT APPLICATION AND RELATED CORRESPONDENCE

Right Hon. J. G. Diefenbaker (Prince Albert): I would like to ask the Secretary of State for External Affairs whether he will table in the House the passport application for Geoffroy under whatever pseudonym he appeared so that we can find out who was the guarantor? Also, will he table the correspondence showing the address to which the passport was sent and any correspondence with the department in which Mr. Denis of Rivard fame participated? I ask this because once charges are laid the government might very well suggest that we cannot discuss this matter any more. If the minister will just table these documents, no harm will be done.

Some hon. Members: Hear, hear!

Mr. Speaker: The minister may wish to reply to the question, but I remind hon. members there are only three minutes remaining in the question period. I see that some of our distinguished colleagues are getting very impatient.

Hon. Mitchell Sharp (Acting Prime Minister): May I reply briefly, Mr. Speaker, and say to the right hon. gentleman that I would like to give consideration to his question.

An hon. Member: I bet you would.

Mr. Sharp: It is a serious question. There are aspects of it that I do not think the right hon. gentleman quite

appreciates. If he did know, he might be sympathetic to the point of view of the government.

Mr. Diefenbaker: Mr. Speaker, we have waited ten days and nothing has been indicated to cause me to extend sympathy to the government in connection with this matter.

* * *

[*Translation*]

MANPOWER

LOCAL INITIATIVES PROGRAM—TRANSFER OF FUNDS FOR MUNICIPAL PROJECTS

Mr. René Matte (Champlain): Mr. Speaker, I have a question for the hon. Minister of Finance.

Can he tell us whether the government has considered the possibility of transferring funds allocated for the implementation of group local initiative projects to municipal local initiative projects, in view of the fact that several municipalities feel frustrated because of the rejection of some highly worthwhile projects they have submitted.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, we shall take the question under advisement.

* * *

• (1530)

[*English*]

GRAIN

ALLOCATION OF BOXCARS TO POOLS UPON TAKEOVER OF FEDERAL GRAIN COMPANY ELEVATORS—WAIVER OF NORMAL NOTICE OF SEVERANCE TO EMPLOYEES

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I should like to direct a question to the Minister of Justice as minister in charge of the Wheat Board. In the light of the proposed takeover by the pools of the Federal Grain Company facilities, is it intended that the boxcars which would have been allocated to the Federal elevator system will be turned over to the pool system after the takeover?

Hon. Otto E. Lang (Minister of Justice): The ordinary practice in the event of an exchange of elevators is, I believe, for the portion of the boxcars allocated to those elevators to go along. I expect this will be the procedure in this case. There are some serious questions in relation to congested elevators and particularly facets of the formula, which are under consideration in relation to this recent development.

Mr. Korchinski: Mr. Speaker—

Mr. Speaker: Order, please. The hon. member will be allowed one supplementary because we are getting very close to the end of the question period.

Mr. Korchinski: On a point of order, Mr. Speaker, this is a very serious matter. It will come to a head on March 10, and I think it should be cleared up before then. In light of the fact that the pools are only buying the facilities, not the farmers, will the minister consider allocating some of the boxcars which might have gone to that system to another system? May I ask the Minister of Labour whether there was consideration given to waiving the normal five month period in order to provide notice of severance of employment to all those Federal grain employees who will be affected? Was a waiver granted by his department?

Hon. Martin P. O'Connell (Minister of Labour): Yes, Mr. Speaker, a waiver was granted early in February of the group termination notice under certain terms and conditions, to which the company agreed, which were deemed to fulfil the intent of the act and in the light of an alternative plan proposed by the company with respect to its employees which in many respects went beyond the provisions of the requirements of the code.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Peace River before calling orders of the day.

* * *

PUBLIC ACCOUNTS

REQUEST TO FACILITATE ORGANIZATIONAL MEETING OF STANDING COMMITTEE

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I should like to ask the leader of the House whether he would not facilitate the organizational meeting of the Public Accounts Committee so that the committee can complete its examination of the report upon which it is now engaged— it is now almost a year behind—so that the next report of the Auditor General, which is shortly to be made, can be taken up by the committee when it has completed its present survey?

Hon. Allan J. MacEachen (President of the Privy Council): Certainly, we shall be happy to facilitate the organization meeting of the Public Accounts Committee and to give it every encouragement to pursue its work.

Mr. Speaker: Orders of the day.

* * *

AIRPORTS

TORONTO—REQUEST FOR STATEMENT ON SITE OF NEW FACILITY

Mr. A. D. Hales (Wellington): On a point of order, Mr. Speaker, I realize you have had a heavy day on questions, but I have a very important question which I think should be asked in view of what appeared in the press this morning. I should like to ask the Minister of Transport whether he is in a position to make an official announcement about a new auxiliary airport for Toronto.

Mr. Speaker: The House might with to permit the minister to reply to the question asked by the hon. member for Wellington. As I said, we have reached the end of the question period, but the question having been asked the minister might with to reply briefly. I will then call orders of the day again.

Hon. Donald C. Jamieson (Minister of Transport): I suppose I could be extremely brief and answer by saying no. However, I should like to provide a little additional information. Negotiations with the province of Ontario are proceeding, I think I can say, at a very rapid rate and I would hope to be in a position very shortly to make the announcement to which the hon. member refers.

Mr. Hales: I rise on a question of privilege, Mr. Speaker. In this morning's *Globe and Mail* there appeared an article stating that the airport would be located in the Claremont district near Pickering, Ontario. We have been asking questions about this new airport for two years. The minister gave the House an assurance that he would make the announcement in the House in due time. He said that two weeks ago today. Now there has been the announcement in the press about its location and I think we, as members of this House, are entitled to be told in this chamber whether this is the location or not, and why an announcement was not made simultaneously yesterday when it was apparently announced in the Ontario legislature.

Mr. Jamieson: I am not sure what my privileges are in these circumstances, Mr. Speaker, but if that can be taken as a question I could answer that the story today, as far as I am concerned, is merely one of a long series of speculative stories. I do know, as a matter of fact, that no announcement has been made in the Ontario legislature.

Mr. Hales: A supplementary question—

Mr. Speaker: Order, please. The hon. member for Wellington is really asking a series of questions after we have reached the moment to call orders of the day. This, I suggest to him, is irregular. I stretched a point by allowing him to ask a question by way of a point of order, and the minister replied. Then the hon. member asked a supplementary which questioned the minister's answer. If it is the wish of all hon. members, perhaps the hon. member for Wellington might be allowed a further supplementary.

Mr. Hales: My supplementary would be this, Your Honour: Is this the location which has been selected or is it not? It has been announced that this is to be the location. I want to know whether that is correct or not.

Mr. Jamieson: I think it is perfectly obvious that I cannot be asked to confirm or deny a press report. I can only say to you, Mr. Speaker, that I have consistently respected this House. I have made a commitment that any official announcement will be made in this chamber and I reaffirm that commitment by saying I shall do so at the earliest possible moment after negotiations have been concluded with the province of Ontario.

Mr. Simpson: I rise on a question of privilege, Mr. Speaker. It is based on the fact that for four days I have waited to put a question to the Minister of National Health and Welfare. On two of those days he was supposed to be in the House according to the roster system. Today, since the question is urgent, I intended to direct it to the Minister of National Revenue because he, too, has some responsibility for the Canada Pension Plan. Before the end of the question period the Minister of National Revenue left the House. Surely, if we are compelled to operate under a roster system, with very few ministers attending, at least the ones supposed to be here in accordance with that system should be obliged to be here and, when they do attend, to remain for the whole of the question period.

Some hon. Members: Hear, hear!

Mr. Lundrigan: I rise on a point of order, Mr. Speaker, in order to assist the House. In view of the fact that we have a limited time during the question period, in view of the fact that in the future I can foresee many questions on the local initiatives program, and bearing in mind that perhaps the Acting Prime Minister did not realize the significance of the request to refer that program to the Standing Committee on Manpower and Immigration, I should like to know whether it is in order to raise with the leader of the House the need for a specific reference to the committee of the local initiatives program with a direction to report to the House on guidelines and principles which could be recommended to the House and perhaps approved. This is quite different from a reference of the estimates which does not provide for such an investigation or report.

Mr. Speaker: Order, please. Again, this is somewhat irregular. If the President of the Privy Council wishes to reply briefly, I suppose he might be allowed to do so but we have now exceeded the question period by ten minutes. There is, of course, no authority for allowing members to ask questions after the expiry of the question period unless by unanimous consent of the House. But I would not want to complicate matters. If the President of the Privy Council can reply briefly he might do so, and we shall again try to get on with the business of the House.

Mr. MacEachen: I shall be brief and advise the hon. member that in my opinion the efforts of the committee would be quite as successful in any case, since with the authority granted to the committees to study the estimates there would be no necessity for any special reference.

Mr. Speaker: Orders of the day.

Mr. Burton: On a point of order, Mr. Speaker. Earlier in the question period I asked a question about a serious potential conflict of interest on the part of members of the Industrial Incentives Advisory Board. In view of the seriousness of this matter and, I am sure, the desire on the part of all hon. members to see the matter cleared up as soon as possible, I wonder whether we could have some indication from the government House leader, since the Acting Prime Minister has now left the chamber, whether the government would be prepared to table the minutes of all meetings of the Industrial Incentives Advisory Board—

• (1540)

Mr. Speaker: Order, please. Again I suggest to hon. members that it is an abuse of the rules to attempt on points of order to ask questions which might legitimately have been asked during the question period. Hon. members know that there are 40 minutes allotted to the question period. If from day to day considerable time is spent on one particular subject or another, be that subject very important, then some other questions, also important, will have to be set aside. Today I was anxious to recognize the hon. member for Churchill, the hon. member for Dart-

mouth-Halifax East, who rose at the beginning of the question period, and the hon. member for Algoma. We should try to keep that in mind if we are to give all hon. members the opportunity of asking questions, or at least to give more hon. members the opportunity of asking questions during the question period. The matter raised by the hon. member for Regina East might be raised again, and I will try to give him an opportunity to do so during the question period tomorrow.

GOVERNMENT ORDERS

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS ACT, 1972

AUTHORIZATION OF FISCAL PAYMENTS TO AND TAX COLLECTION AGREEMENTS WITH PROVINCES

Hon. John N. Turner (Minister of Finance) moved that Bill C-8, to authorize the making of certain fiscal payments to provinces, to authorize the entry into tax collection agreements with provinces, and to amend the Established Programs (Interim Arrangements) Act, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

He said: Mr. Speaker, the bill now before the House is the cornerstone in the structure of federal-provincial fiscal relationships in Canada. It is the key to effective co-operation in income tax policy across the country. It defines the mechanism for the sharing of revenues from this all important tax field. It provides for equalization transfers beginning at $1 billion a year. It gives real meaning, through these equalization transfers, as well as real substance to our ideals of national unity in a federal state. It contributes to stable economic growth by protecting all the provinces, whether those provinces be rich or poor, against the adverse effects of a sharp reduction in provincial revenues. It brings the aid of the broad federal taxing power to help the provinces in one of their most significant responsibilities, namely the financing of higher or post-secondary education.

More generally, it sets out the interrelated pattern of fiscal arrangements which support a high average standard of public services for all Canadians, no matter the province in which they live. Added to that, the bill, I believe, provides the flexibility necessary to adapt national objectives to regional and local conditions. For all these reasons I feel confident that the bill, after a thorough debate, will commend itself to the House.

Because of the division of powers under the British North America Act and the great differences in wealth among the provinces, the debate about federal-provincial relations is as old as this country. One hundred and five years ago Sir John A. Macdonald and his colleagues thought that they had worked out a satisfactory and binding financial arrangement under the terms of the British North America Act. They thought that this arrangement would underpin the new Canada. Almost before the constitutional ink was dry, financial pressure upon certain of the new provinces forced fiscal readjustment. Indeed, as early as 1873 special federal grants, which were the forerunner of today's equalization grants, were already being paid to the governments of Nova Scotia, New Brunswick, Prince Edward Island and British Columbia.

Subsequently, for 60 years the pattern of federal-provincial financial terms continued to evolve from decade to decade, from royal commission to royal commission, from conference to conference, from one ad hoc "final settlement", so-called, to another. But the misery, the widespread suffering of the great depression of the thirties, followed by the challenges of the second world war, brought about revolutionary changes in thinking about public finance in a federal state like Canada.

The landmark 1940 report of the Rowell-Sirois commission advanced at least three central concepts which have governed a great deal of thinking on federal-provincial fiscal relations since that time. The first was that the federal government has an over-riding financial role in the pursuit of national growth and stability. The second was that fair standards of public services and taxation in all regions of the country are vital to our national unity. And thirdly, that co-ordination in tax policy between the central government and the provinces is essential in a modern industrial state. The wartime tax rental agreements, forged in response to the urgent demands of war finance, provided the framework for putting these concepts into practice.

[*Translation*]

The fiscal provisions of the present bill are the outcome of these initial discussions. They are also the climax of 25 years of change, since the end of the war, in the course of which both theory and application of these concepts have been adapted to Canada in the 70's.

The provisions are particularly based on the concepts of fiscal independence and fiscal responsibility for each of our eleven sovereign governments. In this regard, they aim at a balance between centralization and decentralization of public finances in Canada. They therefore fully respect constitutional rights of provinces in the area of direct income tax. However, they also provide an efficient framework within which the two levels of government can co-operate on matters of policy and fiscal administration.

What is just as important is that they provide a basic financial framework within which national standards for essential public services in all regions of the country can be ensured.

[*English*]

Our success in developing an effective system of intergovernmental tax and fiscal relationships have attracted the attention of students of public finance from many other federal countries. For example, I refer to a recent report issued by the United States advisory commission on intergovernmental relations. This commission, composed of members of the federal, state and local governments and private citizens, reporting directly to the United States, comment in their report as follows:

Canada's tax sharing approach has gone a long way in redressing the general revenue imbalance within the Canadian federation. One of the tests for ascertaining the relative fiscal and political strength of the partners in a federal system is to observe how they share the intergovernmental revenue pie over time. Using the "revenue pie" test, the performance of the provinces is truly impressive. Between 1957 and 1969, the provincial share of all revenue collections rose from 18 to 33 per cent; the federal

share fell from 69 to 52 per cent; and the local share increased slightly from 13 to 15 per cent.

By comparison, the performance of our States was far less impressive ... most of the remarkable revenue gains chalked up by the provinces during the 1950's and 1960's can be attributed to the willingness of the federal policymakers to negotiate with the provincial political leadership and their decision to share their prime revenue source with the provinces.

Further in their report this United States commission also concludes that, to use their words:

Canada has achieved a very high degree of federal-provincial tax co-ordination.

• (1550)

The report goes on to note its approval, using their own words again:

That Canada has developed a sophisticated and effective method for equalizing the revenue capacity of the provinces.

This analysis by the U.S. Commission refers particularly to the basic system of fiscal relations set out in the current Fiscal Arrangements Act of 1967. Major parts of that legislation are due to expire on March 31 of this year, which lends a certain urgency to the bill now before the House.

[*Translation*]

During the past two years, my predecessor had some seven meetings with his provincial opposite numbers for the purpose of assessment and consideration of a total plan. It was recognized that the scope of the plan called for close study of its operation and possible improvements, and consultation on these points. It was also necessary to readjust somewhat the revised tax structure in the amended federal Income Tax Act. The Department of Finance has also undertaken a number of technical studies. A committee of federal and provincial officials has made a detailed review of these studies and reported to the ministers concerned. The technical analysis and the numerous discussions among the ministers have led to the plenary federal-provincial meeting of last November, where all the matters dealt with in the bill have been reviewed.

This review has shown that a great deal of interests are opposed to and in conflict with one another. This cannot be avoided in a country the size of Canada with the diversity of its various regions. Some of these differences cannot be completely ironed out and the responsibility for the necessary decisions rests finally with the Parliament of Canada. However, the bill has, as much as practicable, taken into account all the exchanges of opinions, studies and discussions that have taken place between governments.

[*English*]

I would now like to turn to a review of the main features of the bill. Part 1 extends the 1967 arrangements for equalizing total provincial revenues for a further five years. Although the basic equalization formula is not changed, provision is made for certain technical improvements which reflect experience and various developments in provincial financing over the last five years. Hon. members will recall that the 1967 arrangements provided for the equalization of provincial revenues on a comprehensive basis. The formula measures the revenue raising capacity of each province. To the extent that the per capita revenues of any particular province are below the national average because of a lack of provincial revenue capacity, the federal government fills the gap by a direct grant.

[*Translation*]

Previous arrangements were formally started in 1957 to balance only part of the provincial revenues. In 1967, the then Minister of Finance, the present Secretary of State for External Affairs (Mr. Sharp), made a great leap forward by extending this formula to include all sources of provincial revenues. The equalization payments of the federal government increased therefore dramatically from $371 million in 1966 to $546 million in 1967. In view of the continued growth of the economy, as well as of provincial revenues, the equalization payments now total almost one billion dollars.

[*English*]

Equalization is based upon a comprehensive statistical measurement of the revenue raising capacity of each province. Consequently, the amount paid to each recipient government varies widely. Under the formula set out in the bill, the poorest provinces would receive the largest per capita payments. Thus, both Newfoundland and Prince Edward Island would qualify for about $213 per person in the next fiscal year; New Brunswick, Nova Scotia and Saskatchewan form a middle group with per capita payments of $164, $135 and $102 respectively; Quebec and Manitoba, both provinces only marginally below the national average in revenue potential, would qualify for the smallest payments of $74 and $58 per person respectively. These variations help, I think, to make clear the basic principles of need and fairness which underlie the system. At the committee stage on the bill, I shall be glad to table extensive tables and illustrative material documenting how these calculations are made.

Ontario, Alberta and British Columbia are all provinces with a measured revenue raising capacity above the national average and hence are not eligible for payments. Of course, if any one of these provinces met adverse circumstances which reduced their fiscal potential below the national average, they would qualify for payments immediately and automatically. Needless to say, none of these provinces, I am sure, would want to undergo that experience.

I want also to stress to Your Honour an important point. Unfortunately, it appears as if some Canadians believe that the governments of Ontario, Alberta and British Columbia, or the taxpayers in those provinces alone, supply all the tax revenue redistributed in the form of equalization. This is not so. Equalization is paid out of the general revenues of the Consolidated Revenue Fund of the government of Canada. These are drawn equally from any given level of income earned by taxpayers wherever they may reside in Canada.

Let us view it from another perspective. It is also clear how important these equalization transfers are to the qualifying provinces. For Manitoba, Saskatchewan and Quebec, equalization amounted to from 13 per cent to 16 per cent of their gross revenues from their own provincial sources in 1971-72. For Nova Scotia and New Brunswick, the proportion was much larger—somewhat more than a

third. For the two island provinces, equalization represented 55 per cent and 66 per cent of revenues from provincial sources.

These proportions do not arise—and I want to make this clear—from any unwillingness on the part of these provinces to tax their own citizens. On the contrary, studies in my department show that the tax effort by almost all of these provinces is about, and in some cases well above, the national average. In contrast, the higher income provinces, particularly British Columbia and Alberta, enjoy below average levels of taxation. This is so because of the abundant resource revenues which obviously contribute to the favourable position of these two western provinces. For Newfoundland to raise from its own tax base the full amount of its federal equalization transfer would require it to boost its tax rates by an average of 75 per cent. That would mean for Newfoundland a retail sales levy of 14 per cent, a gas tax raised from 25 cents to 44 cents per gallon, and a personal income tax rate hike from 36 per cent of federal tax up to 63 per cent.

Thus it is understandable why the lower income provinces, properly anxious to provide their people with decent schools, adequate health care, better roads, and all the basic services of a modern civilized society, place such great importance upon the equalization system authorized by parliament. They regard it not only as vital to their own financing but also as vital to fiscal federalism in Canada. Equalization is critical to their existence as viable social and political entities, and as such it is fundamental to our country.

Fortunately, I do not believe there is any serious dissent from the objective of achieving reasonably comparable standards of public service all across Canada. However, there have been differences of view as to how far the principle of equalization should be carried. Some concern has been voiced that heavier financial transfers from the higher income regions of the country to the poorer provinces may slow down total national growth. Specific features of the formula have been criticized in some quarters, particularly the equalization of revenues from particular kinds of natural resources. There has also been discussion among the provinces and the federal government as to what revenues ought to be calculated in providing the base for equalization.

• (1600)

An alternative approach to the financial problems of the poorer provinces has also been suggested. This would replace the present grants to the lower income provinces by direct federal payments to poorer people in all parts of Canada. It seems to be argued that such payments to individuals would result in an increase of tax revenues to the lower income provinces, and thus there would be no need for equalization transfers. I suppose this may be an appealing notion but it does not stand up under any serious analysis.

What would happen to provincial revenues if we abolished equalization payments and substituted $1 billion in payments to persons? In the ensuing fiscal year equalization payments will represent about $1 billion. The answer is that revenues to those provinces formerly receiving equalization would decline disastrously. The equalization transfers themselves would vanish from provincial receipts. Of the equivalent amount paid to individuals only about 55 per cent would be received in the seven lower income provinces. The remaining 45 per cent would go to persons in the three wealthier provinces.

[Mr. Turner (Ottawa-Carleton).]

Moreover, even if this limited amount of guaranteed income payments helped persons in the less wealthy provinces, the tax revenues received by their provincial governments would be reduced. Not only would there be a smaller flow of total income received and spent in these provinces but the tax revenues generated in the process would clearly be less than those generated by government spending on goods and services. Thus it will be clear that the seven provinces concerned would lose both the equalization grants and a portion of their own tax revenues. In such a situation these provinces would have to increase tax rates to impossible levels simply to maintain services to their people, or else they would have to abandon efforts to provide those services.

As an alternative scheme one might then ask what level of direct payments to persons would generate as much revenue in the lower income provinces as is provided by the existing equalization grants? The obvious answer is: enough to raise the average income of individuals to a level about equal to the present national average in Canada. The data available do not make a precise estimate possible. Nevertheless I have had it estimated for me that the net cost of a guaranteed income scheme of this nature across the country, necessary to compensate those provinces for equalization grants, would be in the nature of $13 billion to $14 billion.

This is a net cost after deduction of off-sets for equalization and existing federal and provincial transfers to lower income individuals which would no longer be necessary. However attractive the notion, it is safe to say that not even the most ardent advocate of the guaranteed income has aspired to new federal expenditures of these heights, having in mind the boost in tax levels necessary to finance them.

The federal government is fully committed to explore the use of the guaranteed income as a technique in the war against poverty. But, as we have emphasized, it is a mistake to suppose that any realistic form of such income support to individuals will solve all our problems, and particularly within the context of this bill, the problems of serious regional disparity, geographic disparity in incomes, and the differences in regional public finance.

In the ministry that I held before assuming this responsibility I became familiar with the constitutional aspects and structure of our country. I believe that for those of us who were involved in those federal-provincial discussions it was a unique learning experience.

Our revenue equalization system is one of the most fundamental aspects of federal-provincial relations. It goes right to the heart of the way that this country is bound together and held together. If the economically stronger parts of Canada are not prepared to help the weaker, generously and freely, can we really be said to have a country? I have no doubt that members of all parties and from all parts of Canada will give their answer in their support for this bill.

May I turn now in general terms to Part II of the bill which deals with the closely related question of the stabili-

zation of provincial revenues. I suppose one could consider that the equalization system itself provides a type of effective stability of provincial revenues in the less wealthy recipient provinces. But the express stabilization feature which is carried over from the former act of 1967 into this bill is designed to meet other potential needs. These include the maintenance of revenues not only for the so-called have-not provinces but for the other three provinces, indeed for all the provinces. In other words, stabilization applies to all the provinces of Canada in the event of a general decline in total provincial revenues.

What the bill does under the stabilization provision is provide for a floor under provincial revenues. This floor consists of a federal guarantee to make a grant to any province whose revenues fall below 100 per cent of those received in the immediately preceding year. The year to year comparison for the province would of course be based upon the same rates and structure of its taxes.

[*Translation*]

This program, Mr. Speaker, is an improvement over the provisions of the 1967 act in which the revenue "floor" was set at 95 per cent of the preceding year. Fortunately, in the last five years, not a single province has been faced with circumstances such as would have entailed a federal stabilization payment. We hope that this situation will continue in the next few years. This bill guarantees however to each province and its people the maintenance of most public services, even though economic conditions might suddenly and unexpectedly deteriorate.

Another benefit of stabilization is the help it provides to provinces when they attempt to borrow on international money markets. Borrowers will be conscious of the new "floor" set at 100 per cent instead of 95 per cent, and the general financial position of the provinces should consequently improve.

[*English*]

I come now to deal with Part III of the bill in general terms. This extends the system of intergovernmental tax collection agreements which has developed over the past 30 years. You will be aware, Mr. Speaker, that despite the taxes imposed both by this parliament and by the provinces, the great majority of Canadians need comply with only one income tax system. They file only one return and deal with only one group of tax collectors. This contrasts sharply with the situation which obtains in many other federal countries. Frequently the separate jurisdictions in other nations have different income tax laws. These are potentially confusing, irritating and burdensome to individual taxpayers and corporations.

Canada has developed both formal co-ordination and informal co-operation which minimize these difficulties. In all provinces except Quebec individual citizens are able to use only one return for federal and provincial taxes, based upon the same definition of taxable income, the same allowable deductions, and the same progression of rates.

Both provincial and federal taxes are collected through the federal machinery at no cost to the agreeing provinces. They and their taxpayers are thereby relieved of administration costs which have been estimated to run as high as $100 million annually.

Similar joint arrangements apply to the corporation income tax in all provinces except Ontario and Quebec. Even here I expect that substantial and effective harmonization in both law and administration will be rapidly restored as the reformed federal tax law settles firmly into place.

Within this framework of tax harmonization and uniformity, provinces are perfectly free to establish their own rates of taxation. They have been doing so to an increasing extent. This is the real test of fiscal independence and decentralization—the willingness to exercise the responsibility to tax as well as the responsibility to spend.

• (1610)

We are also continuing to improve the degree of flexibility available within the arrangements. A new agreement with Ontario was recently announced by the provincial treasurer of that province which will tie credits against provincial income taxes into the system, replacing that province's existing program of separate property tax rebates. Under the new system, individuals may file proof of property taxes paid, and certain deductions from income tax will be allowed, or rebates of the property tax already paid will be issued. Persons who do not normally file income tax returns will be able to do so, in order to claim their rebates. Similar consultations are being held with Manitoba about credits for their provincial sales tax.

The present bill would also empower the federal government to collect, on behalf of Manitoba, Saskatchewan, and the four Atlantic provinces the succession duties which they have proposed. I want to emphasize that these provinces have made the decision to rejoin Ontario, Quebec and British Columbia in the succession duty field entirely on their own. We have had no part in their decision and have agreed to assist in collections only in response to their urgent requests to us. I believe that the people of the provinces of New Brunswick and Nova Scotia should be aware of that. The aforementioned provinces have pointed out that they do not have collection machinery available for this purpose and that considerable benefits in terms of efficiency and cost-savings could be achieved by federal administration. Under the terms of the bill, however, this commitment would end in three years' time—it lapses after three years. The bill would also authorize the federal government to collect gift tax for certain provinces.

Parts IV and V of the bill deal with special questions arising out of the reform of the federal Income Tax Act, passed by this House before Christmas. Provinces were concerned that the higher exemptions, increased deductions and revised rate structure in the new federal act might cause them a loss of revenue if they adopted all these features as a part of the reform package. The bill therefore provides a five-year guarantee that each province will receive as much revenue from the reformed personal income tax as it would have under the old system. This guarantee would be available to provinces which harmonize their personal income tax acts with the federal statute, and which levy rates of tax at January 1 no higher than the effective burdens imposed in 1971. Because of this guarantee, nine provinces have remained within the tax collection system and Quebec has stated its

full intention to harmonize its own income tax legislation with the reformed federal act.

In response to provincial requests to share in the revenues from the tax on payouts of undistributed profits held at the end of 1971, the bill also proposes a transfer of one-fifth of these revenues to the provinces. This is roughly the same proportion as the federal government now shares with the provinces in the corporation tax field.

[*Translation*]

The other part of the bill deals with the method whereby the federal government helps the provinces to finance 50 per cent of the cost of post-secondary education in Canada. Here again, it is an extension of the program launched for the first time in 1967 and which is to be terminated on March 31 next. The support of the federal government in that area came in the form of tax point transfers as well as adjustment grants. Education is a complex area of public policy where a rapid ferment of change is assailing accepted ideas and institutions.

This is why the bill proposes that these provisions be extended only for a period of two years. During that period we look forward to intensive consultations with the provinces to determine more specifically the goals, the trend of the policies and the responsibilities of the federal government. This is a pressing problem which comes under the jurisdiction of my colleague the Secretary of State (Mr. Pelletier). I expect him to intervene during this debate to deal in depth with this important issue.

Mr. Speaker, my colleague tells me that his speech might last about ten minutes and if after my speech the leaders of the other parties would agree, instead of having the usual reply, the minister might be given the floor for ten minutes to complete the picture. It will be up to the House to decide.

[*English*]

The final part of the bill is concerned with two further questions upon which I should comment briefly. There is first a "housekeeping" section, including reference to the making of regulations. I was concerned with this question in my earlier responsibilities. The government is fully committed to the policy of limiting its own powers of regulation to the minimum. This is the burden of the Statutory Instruments Act passed by this Parliament and the burden of the review of the Scrutiny Committee to be set up in this session. It will be obvious, however, that the substance of this bill depends upon a great many technically complex definitions, measurements and calculations. Indeed, the revenue guarantee envisages the use of abstract mathematical equations. To have attempted to incorporate all of this into statutory language would have been impossible, or resulted in a completely incomprehensible bill. The provinces have also urged that technical details should be prescribed in regulations upon which they might be consulted, and it would be our intention to proceed in this way.

[*Translation*]

There is one more question which remains to be decided in the last part of the bill. It has to do with the application of the revised version of some provisions of the Established Programs (Interim Arrangements) Act. This legislation was passed in 1965 and included an option for a different kind of federal payments to the provinces regarding selected shared-cost social programs. Instead of a concrete federal contribution in the form of a cash grant, that legislation provided for transfer of fiscal "elbow room" to the provinces. This additional taxation field allowed provinces to levy part of the revenues needed to finance their own programs. This "non-participation formula", as it could be called, was applicable to hospitalization insurance, welfare programs and general health grants. Although all provinces had access to that offer from the federal government, only Quebec chose to take advantage of it. A similar agreement was later introduced in order to support post-secondary education in all provinces.

It is important to realize that for the seven years during which those agreements were in force, Quebec has received no less and no more federal assistance than would have been given under the traditional cost-sharing method. The provisions of this bill simply extend the validity of those arrangements for a further period of five years. They have been adjusted, however, to reflect the slight changes in the value of transferred fiscal points due to income tax reform.

[*English*]

This general question of "opting out" was discussed at some length at the federal-provincial plenary conference of last November. At that time, the federal government suggested that it was not at all clear how full financial responsibility for the shared-cost social programs, together with the necessary financial resources, could be transferred to all the provinces on a fair and lasting basis. The health and welfare programs, which were thought to be well established, have in fact been undergoing rapid change. Their form, coverage and substance have all been rapidly evolving as new ideas, new techniques, and new institutions have come to the fore. Parallel with these developments, cost control and prediction have become more difficult. Consequently any simple mechanistic transfer of financial responsibility and tax room is not likely to provide lasting and useful solutions. Instead we have been exploring alternative means by which the provinces might enjoy greater flexibility and freedom to design their own programs and fix their own priorities, but still receive fair and appropriate financial support from the Parliament of Canada.

These explorations and consultations with the provinces will continue. But they are more likely to succeed if carried out on a program by program basis. This will ensure that careful attention is paid to the special circumstances and developing prospects in each case, and that the central objectives of these basic social programs are not lost sight of in a squabble over the form of financing.

In all of these consultations, however, we must keep constantly in mind the responsibilities of the government and Parliament of Canada toward all Canadians. I have attempted in these remarks, Mr. Speaker, to convey something of the historical foundations, the broad philosophy and the main highlights of the bill. I should like to reiterate, in closing, its urgent importance to the provinces, and thus to our country and its citizens. It is a lengthy and technically difficult bill, and perhaps not one to attract widespread public attention. But as I have emphasized, it

renews and improves a set of interrelated fiscal arrangements which are fundamental to federalism and national unity in Canada. On that basis I feel sure that it will be received with keen interest and debated with understanding in this House.

• (1620)

Mr. Deputy Speaker: It was my understanding that the Minister of Finance (Mr. Turner) intended to ask for leave to table certain documents. Did I understand correctly?

Mr. Turner (Ottawa-Carleton): I said, Sir, that when we reach the committee stage, if we do, I would be glad, in response to any request made in the committee hearing, to table documents in committee.

Mr. Deputy Speaker: I beg the minister's pardon. I misunderstood him.

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I wish to thank the House for giving unanimous consent to my introducing Part VI of the bill. I think that all hon. members will benefit from having the bill explained to them now. Any hon. member who is not a lawyer, at least, is bound to find the legal language used in the bill very difficult to understand compared with the relative simplicity of explanations given in non-legal terms.

Therefore, I am happy to join my colleague in introducing Part VI of this bill under which, as you know, the post-secondary education adjustment payment program adopted in 1967 will be continued for the next two fiscal years, that is up to March 31, 1974.

The federal-provincial conference of October 1966—hon. members will no doubt remember—was preceded by three days of talks on the financing of higher education, to which the Prime Minister of Canada (Mr. Trudeau) and all his provincial counterparts at the time participated.

The Canadian government then indicated some changes to be made to its policy concerning financial aid to education, particularly secondary education. The first object of these policy changes was to replace the system of grants to universities being distributed through the Association of Universities and Colleges of Canada—and in the case of Quebec, by means of some tax-sharing arrangements between the federal government and the provinces—by assistance enabling the provinces to cope with the increasing cost of post-secondary education, for operation expenses as well as for capital expenses, under a special arrangement concerning fiscal transfers.

The second object was to eliminate any distinction between university training and post-secondary technical or professional training, in fact, to eliminate anything which, on account of the federal contributions, could indirectly exert some influence on the particular trend of development of institutions in any province.

The third object was to substitute an adult professional training program to the assistance granted under the Technical and Vocational Training Assistance Act of 1961, which was about to expire.

[*English*]

Hon. members will realize, I believe, that these programs have expanded very significantly during the past five years. The assistance offered through Part II of the Federal-Provincial Fiscal Arrangements Act, 1967, has doubled. Under the post-secondary education support program, fiscal transfers made by the federal government to the provinces rose from $422 million in 1967-68 to $870 million in 1971-72. I would like, with the permission of hon. members, to table some statistical material regarding payments made from 1967-68 to 1971-72 under Part II of the 1967 act. While the remarkable expansion of post-secondary education in Canada during the late 1960's was made possible by energetic leadership on the part of those concerned, both in the provinces and in the institutions themselves, the action of the federal government in assuring financial support provided the needed stimulus.

We are all aware that public expectations with regard to education grew steadily during the 1960's. The expansion in enrolment and educational services during this period resulted in a rapid escalation of costs, with total expenditures on post-secondary education by all levels of government rising from about $340 million in 1960-61 to over $2.5 billion in 1971-72, and the federal share rising from 25 per cent to 49 per cent during the same period. The rate of increase in total expenditures on post-secondary education has been considerably higher than the growth in GNP and this cost escalation has been of great concern to all governments, both in relation to government revenues and in the allocation of funds between priorities.

Realizing the complex problems which arise when growth is so rapid and when programs, such as the post-secondary education fiscal transfer, manpower training, research support to universities, and student assistance, are so diverse, the federal government is undertaking a review of its future long-term involvement in post-secondary education. I wish to assure the House that this review will be made in full consultation with provincial authorities, of course.

Following a letter dated November 9, 1970, which the Prime Minister sent to the first ministers concerning the federal-provincial post-secondary education fiscal transfer program, I began, early in 1971, consultations with the Council of Ministers of Education of Canada and with each of the individual ministers to obtain their general comments on the operation of our program for the two years 1972-73 and 1973-74. In the light of all the circumstances, it was felt that a ceiling should be agreed upon to limit the annual rate of growth of the federal contribution. These points were discussed with each minister of education and, on two occasions, I met with the Council of Ministers of Education of Canada.

The federal government has found these consultations very helpful and we shall try to ensure that co-operation with the provinces will continue in the future.

[*Translation*]

Part VI of the bill now before the House will permit continued progress of post-secondary education in the provinces until 1974; we will then be in a position to make a detailed and motivated statement on the attitude contemplated at that time.

Part VI of the bill therefore extends for two years, until March 31, 1974, the post-secondary education fiscal transfer program. It sets at a yearly maximum of 15 per cent the national rate of increase in the federal contribution

and I mean the "national rate". It will still be possible to grant individual provinces increases in excess of 15 per cent as long as the overall federal contribution to the provinces as a whole does not exceed the 15 per cent ceiling. However, if during one of those two years, the authorized expenses of post-secondary education institutions were to boost the overall national federal contribution over 15 per cent, the provinces with an increase rate above 15 per cent would have their payments reduced in proportion to the excess amount which the payments made to them would have contributed to create.

Clause 24 of the bill is a statement of conditions applicable to the 15 per cent ceiling. Clause 26 deals with the implementation, by the Finance Minister, of the federal revenue reduction relating to post-secondary education. As for the remainder of Part VI of the bill, it is identical to Part II of the 1967 act.

Under the circumstances, I think that the proposed amendments offer a reasonable procedure enabling us to take into account a transitional period during the next two years which seems to me to be fair for all parties concerned, while being reassuring as regards the ceiling on total federal expenditures. Therefore, I hope that hon. members will give favourable attention to that bill.

With leave of the House, I would like to table the figures outlining the application of the 1967 agreements during the years for which comprehensive results are available to the government.

• (1630)

[*English*]

Mr. Deputy Speaker: Order, please. Does the Secretary of State (Mr. Pelletier) have consent to table the documents to which he has referred?

Some hon. Members: Agreed.

Mr. Barnett: On a point of order, Mr. Speaker. If the documents are not too lengthy, I wonder whether there might be agreement to have them attached to today's *Hansard* as an appendix so that we may be able to review them along with the minister's speech.

Mr. Deputy Speaker: I might say the documents are not lengthy. Is it the wish of the minister and hon. members that the documents tabled be appended to today's *Hansard*?

Some hon. Members: Agreed.

[*Editor's note: For text of documents referred to above, see Appendix B.*]

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I must begin by agreeing with the Minister of Finance (Mr. Turner) about the importance of the subject matter of the legislation. There can be no doubt about the importance of this legislation to the provinces and the country.

The minister reviewed the history of this legislation to some extent. He went back to the prewar days when everybody was on their own, so to speak, through the wartime period when it was strictly a tax sharing proposition. Subsequently, this was discontinued and at some point not long after the war, the principle of equalization was introduced. My recollection is that initially the principle of equalization was based on the per capita yield from the three taxes, corporate income tax, personal income tax and succession duties, the per capita yield in these three areas in the two or three highest yield provinces. As the minister reminded us, the principle was changed in 1967 so that the concept of equalization since then takes into consideration virtually all revenues and brings each province up to the national average yield of provincial revenues from all sources. That, of course, is in per capita terms.

I am not going to indulge in a comparison with the United States. I understand that anyone in the United States would regard this as a vast improvement over any system there because there are virtually no fiscal relationships between the administration in Washington and the states. My impression is that the state governments have very little idea about what the federal administration is doing. Sometimes both levels of government operate in the same area of jurisdiction without the slightest idea what the other is doing. As Leader of the Opposition, I have to agree that in a comparison of relationships, that is fiscal and other relationships, between Washington and the states, our relationship here is happy by comparison. I think the minister will agree that by and large this is a stand-pat arrangement, except that arrangements with regard to post-secondary education are to terminate, as far as these arrangements are concerned, after a two year period.

I only want to say two things at this time about the post-secondary aspects of this bill. First, the uncertainty should be removed quickly because it is not possible to do much planning on the basis of a two year assurance. I am sure the Secretary of State (Mr. Pelletier) will agree it is imperative that whatever new arrangement is made to replace this will be satisfactory. Any government that I am in charge of following the next election will ensure that it is satisfactory.

Some hon. Members: Hear, hear!

Mr. Stanfield: It is imperative that it be worked out quickly in order to reduce the degree of uncertainty as rapidly as possible.

Second, it is imperative that there be real consultation. The Secretary of State told us something about his consultation. There was supposed to have been consultation the last time. Actually, what was worked out was improvised at the last minute. There was no real consultation prior to the current arrangements having been adopted in the first place. I stress the importance of real and meaningful consultation between those responsible in Ottawa and those responsible in the provinces for whatever scheme replaces the present arrangements with regard to financing post-secondary education in Canada, a very important topic.

As I said previously, this is basically a stand-pat arrangement. It continues the same equalization formula with the exception that the guarantee is moved up to 100 per cent from 95 per cent. We should bear in mind there are two aspects of the financial sharing arrangements of this bill. There is the regional aspect of straight sharing in the area of taxation in which both the federal and provincial governments have an equal right to tax. This began

during the war and has continued. It was designed to reduce the tax jungle in this area as much as possible. There is the straight tax sharing arrangement. Most provinces which do not receive any equalization payments receive certain points of the personal and corporation income taxes. That is one aspect of this bill. It is a stand-pat arrangement in that regard.

Provinces which do not receive any equalization payments will receive the same proportion of revenues from personal and corporate income taxes as they receive under the agreement that has been in effect since 1967, except there will be a guarantee that they will not receive less in any one year than they received during the previous year. I want to emphasize that this is a stand-pat arrangement in this regard as well as with regard to the concept of equalization. The minister stressed the national importance of the equalization aspect of the measure. He may not have used the words "national unity", but he stressed the importance to the concept of Canada and the importance of providing something like an acceptable standard of provincial services across the country. It does not really do that. As I am sure the premier of any Atlantic province would argue, it does not really achieve that entirely. He would argue, I am sure, that municipal revenues should be included in the equalization concept. If the minister has not heard that argument I am sure he will hear it frequently in the future.

• (1640)

The equalization formula has been improved over the years. It is not yet to be regarded as perfect. I emphasize that this bill does not bring about any further change in the equalization formula except that the guarantee is moved up from 95 per cent to 100 per cent. The bill does two things in this regard. It shares tax revenues which arise from a field of common jurisdiction, personal income tax and corporate income tax, as well as the equalization aspect. The reason I emphasize this is that prior to the arrangements which were incorporated in legislation back in 1967, a limited study was conducted by a team of federal and provincial officials. The purpose of that study was to forecast provincial expenditures across Canada over the ensuing five year period based on programs then in existence and to forecast provincial revenues over the ensuing five year period based on taxes then in existence. The same was done with respect to forecasting federal expenditures and revenues. Of course, this study had to be conducted on the basis of certain assumptions, but the team of officials agreed on results which show that, on the basis of programs then in effect, provincial governments would run into positions of increasing deficit and that the federal government would move into a position of increasing surplus. To my knowledge, these findings have never been disputed. I believe there was also a ten-year forecast which indicated the same thing.

I can recall very well the vividness of the disappointment of those responsible for provincial financial matters when, having authorized the study and having carried it through jointly with a team of federal officials, they found that the federal government was paying absolutely no attention to these findings and had proceeded to put into operation the tax sharing arrangements which are now in effect, ignoring completely the consequences of that study. This is one of the things that are annoying to so-called "have" provinces—the fact that their share of the proportion of the field they are constitutionally entitled to occupy, personal income tax and corporate income tax is frozen, although the joint study to which I have referred has indicated that the revenues needed to discharge their responsibilities are growing at a rate much more rapid than the increase in federal costs.

I am dwelling on this point because I believe it is one of the factors which is weakening the desire of the people who live in those provinces to support the principle of equalization as fully as they did a few years ago. This is why I emphasize that we are dealing with a stand-pat arrangement with regard to the tax sharing aspects of this formula as well as the equalization aspects of it. Since 1967, it is fair to say, most provinces have been obliged to raise their taxes, not for the purpose of fighting inflation but in order to find money to meet their expenditures and to provide services directly, or to ease the municipal or urban tax load to some extent. As a consequence, as the minister himself mentioned, most provinces are now levying income tax in addition to the general prevailing rate across the country, revenues from which are shared. The Province of Nova Scotia is moving toward this position at the present time. At least, that is the intention of the government if it can get a bill through the legislature down there, as one supposes it will.

The increase in provincial expenditures arising from the nature of provincial responsibilities during the last five years has obliged the provinces generally to increase their taxes. At the very time the so-called tax reform bill is coming into operation, the provinces are already levying rates of taxation at levels substantially above the rates specified in the federal tax legislation. I am bold enough to forecast—I shall probably be called a prophet of gloom for doing so but I venture to believe I am being a realist—that the situation will continue to deteriorate during the five years of the arrangement we are considering, if it stays in effect for five years. On the basis of the prediction made some five years ago by federal and provincial officials that the cost of provincial programs and services would continue to grow, even the most prosperous provinces will be struggling to find new means of revenue to finance those programs and services, and the rate of taxation in the so-called tax reform bill passed just before the end of the year will bear less and less relationship with reality as those five years go by.

I think we should understand that the kind of taxation we are discussing, particularly personal income tax, is the most elastic form of revenue that exists in the country. It is the form of revenue which grows most rapidly as compared with other revenue sources available to provinces. This is another reason for expecting increasing resort by provincial governments to imposing, within their provinces, income taxes at rates above the schedule in the tax reform bill. Provinces are already resorting in increasing numbers to succession duties in a manner which bears no relation at all to the capital gains tax incorporated in the tax reform bill. No attempt has been made to integrate the two. The result is that succession duties will be piled on top of the capital gains tax, although I believe all us realize there ought to be some form of integration.

• (1650)

The Minister of Finance emphasizes that it is the provinces that are making this decision—he is suggesting that the federal government is not responsible for it in any way—but I would throw that claim back at the minister. Indeed, I feel I have to because the minister and his predecessor, and the government to which they belong, abdicated their responsibility. Instead of simply vacating the field at very little financial cost to themselves, they should have negotiated with the provinces an arrangement to integrate succession duties in a sensible way with capital gains tax payments, perhaps by some system of cross credits.

I would regard this as an important priority for any federal government in this country to pursue. We already have a situation where we will have this kind of jungle in relationship to succession duties and capital gains tax. We already have an increasing number of provinces imposing a higher income tax rate than that contemplated by what I might refer to, if I am in order in doing so, for purposes of shorthand, as the "Benson bill". What the members of this House have to ask themselves is: What are the provinces going to do if these projections are correct and their expenditures are going to increase, as predicted by this joint team of officials? Can the provinces cut back on their programs, must they resort to additional taxation, or both? I suggest that they will have to do both, and the municipal and urban taxpayers will suffer in the process.

On the basis of the evidence that we now have, we have to conclude that the provinces will need to resort to additional taxes to meet their own needs, plus the needs of the municipalities. The provinces have been saying this themselves, of course, but it is backed up by the study made by the joint team of provincial and federal officials.

I suggest it is all very well for the Minister of Finance to talk so earnestly about a policy of jobs for all, a policy of development for this country. Nevertheless we are already heading into a tax structure that is not conducive to growth. If by any stretch of the imagination one can argue that the bill that was passed was a sensible piece of tax reform, conducive to growth, which I would not admit, then even if the bill were sensible, it would not meet the realities today in this country. Because on top of the bill there will be succession duties and income taxes that the provinces are now imposing at increasing rates, indeed which they will have to impose in order to enable them to keep afloat and to provide the very basic services to their own people. I contend that the bill that was passed before Christmas will become increasingly meaningless as time goes on. These two bills together, the so-called tax reform bill and the bill we are now debating, do not constitute a package that indicates equity in this country in terms of taxpaying, or a package that will lead to equity in terms of taxpaying, or which will encourage economic growth in the fight against poverty and unemployment.

This government cannot consider tax reform in isolation from provincial taxes, which are very much a part of the tax picture across the country. For tax reform to be meaningful it really must be approached on a truly national basis, not simply on the basis of the taxes that the federal government admits to being its own. I still believe that the tax reform bill in itself is a mess; but that bill, plus the implications of this one, I contend will produce a mess of really massive proportions in this country during the next five years. The pressures of provincial and municipal expenditures are going to add to the eventual distortion.

What is there here to ensure that the fund of taxes contributed by the people of this country is going to be devoted to the priority items, or to ensure that the tax structure really is equitable and is designed to promote growth? The federal government is prepared to carry on where it began some five years ago, but it has not been prepared to take into consideration the findings of the study that was made at that time. At least prior to the 1967 arrangements a study was made and a projection put forward, though no particular attention was given to it when completed. But this time, so far as I know, no study at all has been made. The government of which the Minister of Finance is a member simply said: "This is it, gentlemen; we will discuss details with you, but this is it". And that was that.

It is all very well for the Minister of Finance, his predecessor or for any of their associates to say that if the provincial governments need more money, then let them raise it. The minister talks of fiscal responsibility, but in terms of personal and corporate income tax this is a field of taxation that is just as much provincial under the constitution as federal. When the federal government ignores the findings of its own officials as to the growing need for the provinces to discharge their own responsibilities, then it is harmful to the establishment of a sensible tax structure, to the growth of the country and to the meeting of the most urgent needs. If that is right it places strains upon national unity by increasing the reluctance of the relatively well-to-do to aid in the provision of services in the less well to do parts of the country.

I realize that we have the fine words, but I should like somebody on behalf of the government to indicate to us in some convincing way that under the arrangements that the minister has put forward there will not in fact be an increase in the piling of provincial income tax upon the schedules in the income tax laws that have been adopted. Is there not, in fact, as a result of this and as a result of the pressure to try to cover services even in the more prosperous provinces, going to be an additional strain upon national unity to maintain this kind of equalization program in the country? I feel very earnestly about this and it is my hope that this bill is referred to the committee quickly. I realize that the old arrangements run out at the end of the month, but I hope nevertheless that the committee will take the time and the trouble to hear representations from the provinces on the point I have raised as well as other points, in order to make certain that the bill we are adopting is really the bill that is best designed to serve the people of Canada, and in order to make certain that at least all the time and effort that was devoted to tax reform during the last year or two in this House will not go down the drain as a result of the inadequacies, not only of the tax reform bill but of the measure that the minister has presented to the House at this time.

• (1700)

Mr. Max Saltsman (Waterloo): Mr. Speaker, I do not think there is anyone in this House who does not approve

the principle of the equalization formula. I think there are very few of us who would not say that this country has survived because, in fact, we have worked out such a formula. If survival is the test, then to some extent we have been successful. However, if satisfaction is the test, we have been far from successful because what we have had in fact is survival without satisfaction. There is a great deal of dissatisfaction across this country with the relationship between the provincial and the federal governments and the relationships between various provinces. I would like to suggest to you that the government has not put enough effort into the idea of cost-sharing or the sharing of revenues between one part of Canada and another, nor have they used their imagination in a way that might have resolved some of the difficulties we now face.

There are serious strains on confederation. I think it is important at this time to take a look at some of these strains and to treat some of them seriously. I know the government is prone to dismiss with certain glib phrases the attitudes of certain premiers with whom they disagree. I want to take all the criticisms in as serious a vein as I can, to see to what extent those criticisms are valid and to what extent we can do something about them.

Recently, the Minister of Finance (Mr. Turner) alluded to the proposal of the Premier of British Columbia. I tend to agree with the Minister of Finance that on the surface the proposal looks very alluring, but in fact it would be disastrous to the poor people of Canada and certainly to the poorer parts of this nation. I am prepared to say that the premier has the best intentions in the world. It would be different if he said that, on top of the money we are now devoting to equalization, we should devote additional moneys to a kind of guaranteed annual income. This would make some sense. But to say "we will do this instead of" does a terrible disservice to the people he proposes to help.

Perhaps this is an argument that did not occur to the Minister of Finance because he is a Liberal and does not think along these lines. What has to be recalled is that the equalization payments which go to the provinces enable the provinces to provide public services, the chief beneficiaries of which are the poor of those provinces. The important distinction is that, even if the transfers to individuals were similar to the transfers to the provinces,—which the Minister of Finance pointed out they would not be—the transfers on a personal basis are largely for consumer goods while the transfers to provinces are largely for public goods such as hospitals, schools and transportation. Not only that, but many of these programs, assuming that they could be bought privately, would not be as efficient as those provided publicly and universally.

We went through this argument with medical services and hospitalization. I think our experience in Canada has proven conclusively that if we offer universal programs of public merit they can be provided at a lower cost and they are more readily accessible to everyone. On the whole, it has been those public programs that have most helped the poor of this country. I must say that in many ways we have not really narrowed the gap between the rich and the poor in the area of actual income distribution, so the only real successes we have had in narrowing the gap has been in the level of public services we have provided that are equally accessible to the rich and to the poor. Surely, the premier of a province would not dismiss this kind of advantage too easily. Granted that he wants to improve the system, I think this is something he has to consider very carefully.

I said that I wanted to treat very seriously the proposals that come from the province of British Columbia. Perhaps there is an added reason today to treat these proposals seriously, since we are all wearing lovely flowers that the B.C. members have so kindly provided for those of us who are here today. We are, therefore, all friendly and well disposed toward the great province of B.C. British Columbia, which is a resource rich province, makes the argument that it is taxing its resource industries to the hilt. Of course, my colleagues in the legislature would not agree with that. They do not think B.C. is really taxing those resource industries as adequately as they should be taxed.

Nevertheless, British Columbia argues that it is taxing the resource industries at a level which is not being matched in some of the provinces that are receiving assistance under this equalization formula. The Government of British Columbia says, we do not mind paying equalization, we do not mind transfer payments from a province like ours if in fact it is richer than the recipient, but we expect you will also tax your resource industries at the same level. They would like to see those provinces which are receiving equalization grants taxing the resource industries at the same level as those provinces which are providing funds for equalization. I think that is a valid argument.

I think the argument is overstated because, in fact, some of the provinces at which the premier of B.C. pointed his finger do not possess, in my view, resources as rich or as accessible as those in his own province. But even accepting the overstatement, which does not come as a surprise from that source, there is an element of truth in the argument. I think the federal government has contributed to this feeling of alienation and has fostered the feeling against equalization because it has not acted. I want to point out the number of areas in which it has not acted.

Recently, we have had a debate on the new corporate income tax legislation, and we argued over and over again that all industry should be taxed equally, that favouritism not be shown in the tax system to the resource oriented industries. That argument fell on deaf ears on the government side, with the result an entire area is opened up for provinces to play games with resource industries. This is something we could have avoided had we passed an intelligent, sensible bill that dealt with this problem. These criticisms keep cropping up, criticisms we might have avoided. This is why I suggested in my opening remarks that we could have made some considerable improvement in the attitude towards sharing and towards fiscal transfers between provinces.

• (1710)

The whole question of regional grants is having a distorting influence on the entire picture. Today, some of my colleagues raised some very disturbing questions about these grants, how they were being given out and to whom they were being given out. When the idea of regional

grants first was proposed, those of us who lived in the most populous and better-off provinces were very pleased to support the idea of regional payments to stimulate industrial development in parts of Canada that did not have a great deal of industrial development. However, Mr. Speaker, all of us have become disillusioned with the way that those payments are being made. All of us are starting to question whether the vast sums of money that have gone into that program have, in fact corrected anything at all, have in fact done little more than fatten the coffers of corporations that did not really need money, and have in fact not settled the glaring regional disparities in this country.

Yet the federal government, under constant prodding and questioning from this side of the House, has done little except defend itself and this program with great indignation. In effect, they have said, "How dare you question our veracity, our wisdom," even though the program is collapsing around their ears and these vast sums of money are going down the drain. Perhaps we should consider taking much of the money that is going into DREE now and incorporating it into the transfer payments system. Perhaps the provinces could make better use of this money if it were transferred to them so they could undertake industrial development. There are provinces that are quite prepared to set up Crown corporations to do the kind of development work that private industry is either incapable of doing or unwilling to do. Yet those provinces cannot get any funds from DREE. However, DREE will give money to a large American international corporation. I repeat it will not give funds to a province in order to support a development corporation. This is an area where the federal government is creating a fantastic amount of dissatisfaction, both in those provinces that are receiving the grants and in those provinces that, to a large measure, are paying for them.

There has been a failure on the part of the federal government to head off some of the provinces who, understandably because of their rather desperate circumstances, in trying to correct unemployment problems, indulge in give-away programs. We have the picture of one province luring an industry to it by virtually giving that industry the moon. We have a situation in the pulp and paper industry where, as a result of provincial policies, due to the desperate position in which provinces found themselves, provinces went on a most unwise program of encouraging anyone who showed any inclination to establish a pulp and paper mill and so provide employment for their populations. The results have been disastrous. We have built too many mills. Giving money to one mill has forced the shutting down of another mill.

In the province of Manitoba, they are still trying to untangle the snarl that was created by a previous government with respect to a pulp and paper complex. They are trying to figure out how in the world the province got into that kind of messy situation. At the time it was launched, the program met with considerable popular acceptance. When a province is looking for jobs and says it needs to offer some seed money to attract industry, it is understandable that people will accept that fact.

Through you, Mr. Speaker, I say to the Minister of Finance (Mr. Turner) that unless the federal government establishes some clear method of ensuring that all provinces will tax resource industries according to the way they should tax them, and not play the game of robbing Peter to pay Paul, or of stealing industry from other provinces, we will not get harmony, and we will not get satisfaction from any kind of equalization program.

I would like now to spend a moment or two discussing a problem that is arising in the province of Nova Scotia. This concerns offshore mineral rights. I am pleased to note that the province has discovered some minerals. After starting its existence as a very prosperous part of Canada, and later seeing its standard of living decline as industry shifted and changing patterns brought other provinces into prominence, it now sees the prospect of getting large revenues from offshore oil. A conflict is developing between the province and the federal government. Naturally, the province of Nova Scotia would dearly love to get out of the position where it is receiving equalization payments and into a position where it was contributing to other provinces. The federal government has now taken the stand that it will share with the province in revenues from affshore oil. Perhaps that is the only position that can be taken at this time. But the point arising from that particular situation is that we must clearly establish that all revenues will be shared, that the base for equalization will be broadened.

In this context, the federal government has to consider seriously the proposals advanced by the province of Manitoba, and supported by the province of Saskatchewan, that municipal assessments be included in the taxation base for sharing. If you include resource revenues I believe you also must include the revenues from manufacturing. If you do not do that, there will always be a feeling by some provinces of being mistreated or short-changed in the equalization program. The only way you can include all the revenues from manufacturing is to include the municipal revenues as well. But this does not mean that the entire municipal revenues have to be included, because obviously some of those revenues have to cover the costs of essential services for manufacturing, the costs of housing, and things of that kind. But over and above that, there are revenues that go to pay for educational services and that help underwrite the infrastructure of the social services of a province.

A difficulty arises when those revenues are not included in the base. This difficulty has been pointed out by the province of Manitoba. I understand that the province of Manitoba would like to shift the costs of education from the regressive base of property ownership to the more progressive base of corporate and personal income tax. But if it does that, under the present scheme it would lose out in terms of equalization. Its income tax, or its base for calculating payments from the equalization fund would increase, and therefore the payments to it would decline, and all this because the province wanted to move in a progressive direction. Unless some of this municipal revenue is included in the tax base in such a way that it does not disadvantage those provinces that wish to be progressive, there is bound to be dissatisfaction with the system. It means that every province in Canada, in terms of how progressive its tax system can be, is limited to the policy in the province of Ontario. They can move no faster in terms of this progressiveness than the province of Ontario moves.

Mr. Thomson: Backwards.

Mr. Saltsman: Sometimes it is backwards. The province of Ontario now transfers some of the educational costs to the provincial level. However, it is a long way from removing the burden of education from the municipal level to the provincial level. There are other provinces which would like to move faster than that. There are other provinces which, for good reasons, would like to change the way school costs are borne and they cannot do that under the present agreement.

• (1720)

There is another grievance from the province of Manitoba which ties in with that. Recently the province of Ontario was given the opportunity of reducing or instituting an across-the-board tax cut which is acceptable under the present formula. When Manitoba wanted to reduce its taxes, and reduce them in a selective way so that it would not be across-the-board but directed mostly to those people who needed assistance, their request was turned down. So, you have a system that is encouraging regressive taxation and discouraging anyone who wants to improve the tax system. The federal government has failed to give us a progressive tax system and is saying to the provinces that they are going to throw every roadblock they can in the way of it being done. That has to be changed. It is a legitimate complaint and the federal government should be able to present legislation that would take it into account.

Although I have understood it, I have regretted the fact that the Province of Quebec has opted to take points rather than have its taxes collected as the other provinces have. We can argue that Quebec is a special case. Every province is a special case, but perhaps Quebec is a little more special than the others. I think they have special problems and sensitivities which have to be allayed. In confederation, we have to bend a little bit in order to accommodate the sensitivities of any group. But I deplore, Mr. Speaker, the tendency of other provinces to want to go the same way. It is one thing for Quebec, which at the moment is a "have not" province and receives assistance from the others, to take this position because of its cultural needs, but it is a different thing when the province of Ontario, the rich province of Canada and perhaps the other rich provinces, decide to go the same way.

Ultimately, this will destroy the whole principle of equalization. It is not good enough for the federal government to say any government can take its tax points and get out. That is no good to a province without a great number of tax points. Perhaps the minister is going to remind me later in the debate that there is a guarantee that, to the extent their revenues fall short of the tax points, the federal government will make it up. I would respectfully suggest, considering the record of this government, that this is no guarantee at all, especially when we remember medicare and post-secondary education. The only effective guarantee for the provinces is a continuation of the equalization formula and prevention of any province opting out. Otherwise, no one is going to have any confidence in the future.

The federal government has also indicated that it intends to get out of the cost-sharing programs, that is medicare, hospital insurance and post-secondary education because costs have escalated beyond their calculations. They imply that the provinces have been irresponsible under these cost-sharing programs and so the federal government will limit its participation in the years that remain to an increase at the most of 15 per cent. Mr. Speaker, I think it is immoral, it is unfeeling and it is dishonest, for a government to make this argument.

We in this party supported with the greatest enthusiasm a national program of hospitalization and a national program of medical insurance. We felt that there had to be standards in those areas across the country, and that whatever the cultural or linguistic differences across this country or differences in life style, these elements were so fundamental they had to be available to every Canadian. The government made the right moves in this direction, although reluctantly and some 30 years after Mackenzie King had promised them, but we never thought that it would renege on its promise. It is all right for some of the richer provinces that have set up their infrastructure. In the early years of these programs they had the resources which enabled them to build the facilities necessary for a shared cost program and thus prepare themselves for the future under a medical and hospital service plan. But it is not fair to the poorer parts of Canada and the provinces that are only now starting to develop these programs to the fullest extent.

The federal government has been unfair in another way. It has not provided flexibility and a lot of the fault for over-spending rests on its shoulders. Because of the rigid formula introduced for both these programs it is virtually impossible for a province to find ways to cut costs or to experiment with finding better ways to handle the services. Now, the government accuses the provinces of wild spending, seeming to forget that each province has to put up half the money. This is almost harder for some provinces to acquire than is the portion that comes from the federal government. I think it is imperative that the federal government give an assurance to the provinces that it will continue these programs which are national in scope, on a shared-cost basis.

If there is to be a change, and if the federal government feels that it does not have as much control as it would like, then it can move in a number of directions. One would be to provide more flexibility, so that provinces could use their discretion and another would be for the government to take over the entire cost of the program. Of course, I have some reservations, and I think we all have about shared-cost programs. We know there are difficulties with them, but we do not think these are the difficulties that are being enumerated by the federal government, nor do we think the reasons are those that the federal government is stating. Some of the finest programs in this country are totally operated by the federal government. It may be that it will have to move out of shared-cost programs into programs entirely operated by the provinces or entirely operated by the federal government. If there is to be a move in that direction I suggest, in fairness to all the provinces and particularly the poorer provinces, that the federal government should assume the total cost of medical and hospital programs as it does the old age pension and unemployment insurance.

If these are national priorities, and I think they are, then it should be the responsibility of the federal government to assume them.

Mr. Francis: Mr. Speaker, may I ask the hon. member a question? I have been following his argument with some interest and, as I understand it, he is arguing that the federal government should assume the entire cost of certain programs which have been traditionally within the jurisdiction of the provinces according to our constitutional arrangements. Does he envisage the provinces continuing to administer these programs or does he envisage a situation where the federal government would be responsible for raising money and provincial governments for spending? Would he explain to us what he has in mind at this point?

Mr. Saltsman: I certainly think there are some difficulties connected with the position, and I do not underestimate them. I suggest to the hon. member, if I may reply to his question, that if we want to move in this direction then, if experience from the past is any guide, we would find ways of making the constitution fit our needs. We need to establish many programs, and the hon. member knows this as well as I do. No one would quarrel with us if the federal government set them up, even though they did not fall under federal jurisdiction.

• (1730)

Let me point out that, originally, unemployment insurance was not under federal jurisdiction, either, yet we got around that difficulty by agreement. Manpower policies are financed by the federal government and administered by the provinces. There you see a joint operation. If we want to do certain things which appear unconstitutional, I say that the constitution will present no problem. When hon. members do not want something to be done, they bring forward the constitution and conveniently hide behind it. I do not know why they do not stop doing this. When the government finally decides to do something in an area previously considered to be outside its jurisdiction under the constitution, it suddenly discovers how remarkably flexible is our constitution. I say, therefore, that the constitutional argument is not really valid. I am not trying to ignore such arguments, because I admit that there are problems in this area. I merely suggest that when we really decide to do something, the constitution is not allowed to stand in our way. In those circumstances you hear no one saying that the proposed program does not conform with the constitution because there is a comma in one place or a word in the other and that we should not introduce it. Canadians are far too sensible to go along with legal rigidities like that, because they know that there are ways of doing those things which are important for them.

I have dealt with some of the criticisms that have been levied against the present arrangement. I do not suggest that our present equalization formula is not reasonably good. I think, on the whole, we have done fairly well. I noted the minister was quoting from the report of an American committee and boasting how well Canadians are doing in this field. If we compare ourselves with other countries, we shall see that we have done reasonably well. All I am suggesting is that there is no reason why we should not be moving in the particular direction I am pointing to. The minister should not hide behind the sort of pat on the head he has been given by a commission in the United States or use what has been said by them as an excuse for not taking action. After all, some of the amendments which have been incorporated in this bill are really minor in nature. They are a sort of minimum accommodation. One wonders where the great vision of the just society and all those other ideas that permeated the other side of the House almost four years ago disappeared to. These are niggling little amendments we are talking about. They will not solve basic problems; neither will they advance the cause of confederation very far.

I should like to raise another point. Really, it is a grievance that involves not only the western provinces but other provinces as well. Provinces ask why the federal government cannot, under a stabilization program, permit them to borrow directly from the Bank of Canada? They wonder why they cannot ask the federal government to raise resources on their behalf?

An hon. Member: Bennett suggested that.

Mr. Saltsman: It is a sensible suggestion, no matter whether it was made by Premier Bennett or others. Why can the provinces not ask the federal government to do that, Mr. Speaker? That suggestion may be one of the few sensible suggestions the premier has made, and I am prepared to accept sensible suggestions no matter what their source, even from the hon. member who just spoke. When he has one of his own, I wish he would let me know.

An hon. Member: You will wait for a long time.

Mr. Saltsman: Please, do not be too unkind. Mr. Speaker, why cannot this be done? Why must provinces be put in the position of having to go to money markets, at times, perhaps, when those markets are not ready for them? Why must the provinces pay higher rates of interest than the federal government could obtain on their behalf? Surely, that is the least assistance that the federal government should be prepared to offer.

The minister himself said that the measures in this bill will probably never come into effect and will probably never be required. The kind of stabilization I have spoken of the provinces need badly. In its management of the economy the federal government has tended to create unemployment, and provincial governments have wanted to take action in their own provinces to curb that unemployment through the introduction of accelerated building programs for hospitals, schools and so on. They need assistance, and the federal government should provide it. It should not give it directly, in the form of money; we are not asking for that. We are asking for the federal government to use its powers and its prestige in borrowing on behalf of the provinces. Such action would be in line with the suggestions of a former minister of finance who told Canadians to borrow in this country instead of borrowing in the United States, and thereby put less pressure on the Canadian dollar.

Mr. Guay (St. Boniface): Why would a government not do that?

Mr. Saltsman: Who said that?

Mr. Guay (St. Boniface): Mr. Speaker—

Mr. Saltsman: Mr. Speaker, is the hon. gentleman rising to ask a question or to harangue?

Mr. Guay (St. Boniface): To ask a question, Mr. Speaker.

[*Translation*]

The Acting Speaker (Mr. Laniel): The hon. member knows that he can ask a question only if he is allowed to by the hon. member who has the floor.

[*English*]

Is the hon. member for Waterloo prepared to accept a question?

Mr. Saltsman: Mr. Speaker, I am always pleased to accept a question from the hon. member for St. Boniface.

Mr. Guay (St. Boniface): Mr. Speaker, since the hon. member referred to the possibility of provincial governments borrowing money through the federal government I ask, is he aware of the policy of the provincial government of Manitoba with regard to borrowing money? I believe that government has borrowed money in the United States. Does he consider that as foreign investment? When a government goes to the United States to borrow money and brings that money to Canada, does he consider that as foreign investment coming into this country?

Mr. Saltsman: I do not know whether the hon. member for St. Boniface realizes this or not, but he is making the very point I have tried to make in this House. I suggest that the province of Manitoba would like nothing better than being able to borrow its money in Canada, at favourable rates, if the federal government were to give that province access to credit at the Bank of Canada. The hon. member for St. Boniface is quite right in his concern. He knows that the people of this country, and the members of my party particularly, are enormously concerned about our going to the United States to borrow. We are enormously concerned, and we do not think we should borrow there unless it is absolutely a matter of survival. Actually, that is what is happening. The province of Manitoba does not want to borrow money in the United States. It wants to borrow money in Canada, but cannot do so because of bad government policies.

Some hon. Members: Hear, hear!

Mr. Saltsman: I suggest to the hon. member for St. Boniface that his quarrel is not with me and that his question should not be directed to me. It should be directed to the Minister of Finance (Mr. Turner).

Mr. Benjamin: Pay attention, Joe.

Mr. Saltsman: Mr. Speaker, I want to conclude by indicating that some of the frictions which have come about in this country—I hope the hon. member for St. Boniface is not rising to ask another question.

Mr. Guay (St. Boniface): On a point of order, Mr. Speaker, I feel my question was not answered. I asked whether provincial government borrowings in the United States constituted foreign investment.

An hon. Member: You couldn't understand that, anyway.

Mr. Guay (St. Boniface): Could the hon. member say yes or no, Mr. Speaker.

The Acting Speaker (Mr. Laniel): Order, please. An hon. member may answer a question in any way he wishes, and the hon. member who asked the question cannot quarrel about the answer he is given unless he is ready to seek the floor himself and make a speech.

Mr. Saltsman: Mr. Speaker, I am sorry that the hon. member for St. Boniface does not understand what I have tried to explain. I know he experiences some difficulty with explanations. I shall be pleased to give him a private lesson in economics some other time.

Mr. Benjamin: Charge him for it.

Mr. Saltsman: Mr. Speaker, I wish to raise some other matters. I wish to talk about a prior condition, so to speak. This is an important point, although it is not included in any bill. Before any kind of equalization arrangement can properly be made, there must be full employment. A prior condition to such arrangement is a policy of full employment. In other words, the government must commit itself to full employment. If one looks at the history of frictions in sharing agreements one will find that frictions invariably occur when Canada is suffering from heavy unemployment. When there is full employment in this country there is not the same reluctance to share. It is much easier for provinces to be generous when everyone is doing well, and particularly when the richer provinces are doing well. When they are not doing well, when conditions are rough for them and they do not obtain the revenue they require for their own purposes, they begin looking for areas to criticize, areas in which they can reduce their commitments.

• (1740)

When speaking at a federal provincial conference on November 15, the Prime Minister (Mr. Trudeau) said, and I hope I will be excused for paraphrasing, that there is a vast sum of money being transferred, an amount which represented 6.7 per cent of the total budget of the federal government. In his view, this is a very large sum of money. What the Prime Minister did not say, and perhaps should have said, is that as a result of the policies of his government which have created unemployment in this country, the losses to all governments in terms of revenue has been over $1 billion annually, more than the entire cost of the equalization program.

If we had a policy of near full employment and had brought our level of unemployment down to 3 per cent, which was recommended as a minimum by the Economic Council of Canada, the federal government could have doubled all the equalization payments across Canada. This is something that has to be grasped by this government when making its deliberate calculations to throw people out of work. When there is unemployment, all kinds of things start going wrong. People who are normally amenable to suggestions suddenly start saying that charity begins at home. People who might be inclined to share begin to say that their needs are also great. A

psychology is created in the country which is destructive of the better instincts of the people.

I wish to emphasize another aspect which is not yet in the bill, but should be an intregal part of any equalization policy. Freight rates across Canada must be equalized if this country is to survive. There must be maximum amounts allowed on the movement of any goods, not just wheat or grain. Something is being done in those fields because we recognize the merit and justice of doing it. All goods should move at equalized rates across the country. Perhaps if we did that, we would remove some of the great anomalies that exist between one part of the country and another. Perhaps it would cause a great many less problems than DREE and other programs in which we are involved. This would enable people in any part of to Canada effectively compete in the central markets of Canada and the international markets of the world. This is all they are asking. They are asking that the disadvantages be removed, not that they receive subsidies, bonuses or industrial grants. They want to start off reasonably equal. I can think of some plants in the Maritimes that have closed for only one reason. The cost of shipping their goods to the central market was too high. Had there been an equalization program of freight rates, a great deal more could have been accomplished.

I see that Your Honour is going to rise. At the time Your Honour rises to announce that my time has drawn to a close, possibly you could ask if the House will consent to my continuing. I will not be very long.

The Acting Speaker (Mr. Laniel): Does the House give consent to the hon. member completing his remarks?

Some hon. Members: Agreed.

Mr. Saltsman: Thank you Mr. Speaker. I also thank members opposite for according me this courtesy.

The matter of equalization of freight rates is of paramount importance. If freight rates were to be similar in terms of distance, so that distance would not be a disadvantage, many areas of Canada that were once prosperous would not be declining today. We forget that the maritimes was once a prosperous part of this country. It was only when the central market in Ontario developed, as well as the market between Ontario and the northern United States, that the Maritimes began to suffer a decline. If freight rates equalized distance, we could solve a great number of our problems.

We should recall that this country was built in defiance of geography. The lines of trade always wanted to run north and south. In order to build a nation, we insisted that they go east and west. We never followed the logic of that argument by saying since the country was made in that particular way that transportation, rail and air in particular, should be operated as a public utility, paid for out of the taxes rather than the phoney kind of corporations now in operation. I go further. Not only should freight rates be equalized for all industrial products, but this equalization principle should be extended to passenger service as well. It should be possible for people who live on one shore of Canada to travel across this beautiful land to the other shore without having to pay the present enormous transportation costs. If we are serious about tying this nation closely together, and about getting people from the east and west as well as the English and French speaking Canadians to know each other better, we must have a more intelligent transportation policy than that which now prevails.

It is ridiculous when a national airline such as Air Canada follows the examples of other airlines and makes it less expensive for Canadians to travel an equivalent distance to Europe than to travel in their own country. The opposite should be true. Perhaps we should extend this to tourists from outside Canada. We should be prepared to tell them that if they visit Canada their travel will be made easier in order to give them an opportunity to see this great land of ours. This is very important. It has been part of the program of my party for a long time, and I think it has also been the position of the western provinces.

Some of the eastern provinces have argued in favour of preferential rates. I do not like that. It is not preferential. We must remember that parts of Canada which are poor today may be rich tomorrow, just as parts of Canada that were rich yesterday are poor today. In fact, in nation building there is no assurance that the rich will always be rich and the poor will always be poor. Those provinces which today are handing out money through equalization payments may at some time in the future be the recipients of such payments. The suggestions which we make are not charitable suggestions.

I want to repeat my earlier argument that we must remove the subsidies to private industry through programs such as DREE, which do very little good, and tackle the problem in another way. We have to set up some kind of national standard in order to avoid the provinces being pushed into the position of having to barter off their livelihood one against the other out of desperation. Part of that arises from the inadequacy of the equalization formula, but part of it arises from the desperation of the situation in which they find themselves.

We have to put some teeth into the equalization formula so that if a province with natural resources does not take the tax from those resources to which it is entitled, it should be penalized. This may be a rather harsh position to take, but unless we take this position we are going to encounter a great deal of opposition from those provinces which are fairly taxing their resources. Their argument will continue to be against those provinces which are not matching their taxing position.

The federal government must change its present laws and tax all industries alike. Resource industries must be in the same kind of tax position as the manufacturing industries, otherwise there will be the same kind of resentment that now exists in the manufacturing provinces. The manufacturing industry feels that it is being treated unfairly. It feels it is paying a much larger share of taxes than are other primary industries, and it obviously is.

• (1750)

If we do some of these things, if we make a commitment to total equalization, we could move the country forward. Obviously, for some provinces equality of opportunity is not enough; it means nothing except the perpetuation of poverty. We must commit ourselves to equality of education. Just as is the case with respect to individuals in one family, we must ensure that one province is treated equal-

ly as compared with another and that the rich support those who are not so rich. Only then can we move toward a national policy. An attempt should be made to lessen the emphasis placed on mineral extraction and lay greater emphasis on employment-producing jobs in the manufacturing industry. To provinces which are heavily dependent on resource industries we could offer a new transportation policy which would enable them to get more industry than before. To the extent that revenues of a province declined as a result in change in national policy, lost revenues would be made up by revenues from provinces whose position had improved.

The minister is a new minister. He is a young man trying to get ahead. He is trying to make prime minister. I hope he succeeds. He is somewhat more polite than the present one. He might just break the jinx. This is the new minister's opportunity to make a hero of himself and find some bold and imaginative approach to problems which have been largely ignored by his predecessors. We, on this side, wish him well and are offering him able advice as to what he should do, and we hope he accepts it.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, since the former speaker has left me only four minutes, might I declare that it is six o'clock so that I may continue my remarks tomorrow?

The Acting Speaker (Mr. Laniel): Does the House agree that it is six o'clock?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Laniel): It being six o'clock, the House stands adjourned until tomorrow afternoon at 2 p.m.

At 5.56 p.m. the House adjourned, without question put, pursuant to Standing Order.

APPENDIX A

PETITION BY OLD CROW INDIANS RESPECTING CERTAIN LANDS

To The Honourable The Commons of Canada

In Parliament Assembled:

The Petition of the undersigned members of the aboriginal people of the Old Crow Indians, in that area known to your honourable House as the Yukon Territory, who now avail ourselves of our ancient and undoubted right thus to present a grievance common to your Petitioners in the certain assurance that your honourable House will therefor provide a remedy.

SHEWETH:

That for so long that the mind of man runneth not to the contrary and for so long as the waters of the Old Crow and Porcupine Rivers have flowed, and flowing mingled, for so long have the people of the Old Crow occupied those lands that lie south of the British Mountains, west of the Richardson Mountains and north of the Ogilvy Mountains;

That these lands are not included in the documents of title under which Canada defines its boundaries either through the purchase of the territorial rights of the Hudson's Bay Company in Rupert's Land, as defined in the Rupert's Land Act, 1868, of the statutes of the United Kingdom, or through treaty purchase from the people of the Old Crow, or in any other wise or at all;

That Canada has trespassed and continues to trespass without lawful title or colour of right upon these lands of the people of the Old Crow, where the rivers flow westward to the Pacific Ocean, and, by such trespasses, asserts a legal title to these lands;

That your Petitioners, adopting for their own and incorporating by reference herein so much of the arguments of their brothers, the Nishga Indians of British Columbia, submitted in a cause now pending in the Supreme Court of Canada, as are applicable and pertinent to the subject matter of this Petition, stipulate the distinction that the trespasses complained of in that cause are committed by a province of Canada while the trespasses complained of in this Petition are committed by Canada and are therefore proper to be presented to and considered by your honourable House;

That your Petitioners, by their Petition, do not submit themselves nor any other of the people of the Old Crow to the jurisdiction of the Parliament of Canada, or of any institution by that Parliament created, nor do your Petitioners, by their Petition, admit the authority of the Parliament of Canada, or of any institution by that Parliament created, to determine that any rights of the people of the Old Crow are either less or more;

That this Petition is presented to your honourable House to the end that your honourable House, upon consideration thereof, will resolve to respect the territorial integrity of the people of the Old Crow as by reference to our Prayer hereafter will more fully appear: so that thereby will your Petitioners be upheld in their belief that your honourable House, guided neither by the trivial considerations of commercial profit or commercial loss, will govern itself by the law of good faith which, as between peoples, must be the philosophy of their politics and the religion of their governments;

Wherefore your Petitioners PRAY that your honourable House will prevail upon Her Most Gracious Majesty's Canadian Government to cease and desist from the trespasses hereinbefore recited and to acknowledge and respect the aboriginal rights of the people of the Old Crow to their ancient tribal territories, and that your honourable House will provide such further and other relief in the premises as to your honourable House seems just and meet;

And your Petitioners now prayeth and will ever pray,

And your Petitioners have, and each of them hath, signed this 21 day of February, in the year of Our Lord One Thousand Nine Hundred and Seventy-Two.

Charlie Abel,
Chief

Abraham Peter,
Band Councillor

Edith Josie,
Band Councillor

John Kendi,
Band Councillor

Lazarus Charlie,
Band Councillor

APPENDIX "B"

TABLE 1. FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS ACT, 1967 (PART II)

POST-SECONDARY EDUCATION OPERATING EXPENDITURES

1967-1972

PROVINCE	1967-68[a]	1968-69[a]	% Increase	1969-70[b]	% Increase	1970-71[b]	% Increase	1971-72[b]	% Increase	% Increase from 1967-68
NFLD.	7,770,369	8,861,000	14.0	16,171,000	82.4	19,143,745	18.3	22,900,000	19.6	194.7
P.E.I.	2,119,379	2,768,470	30.6	4,314,000	55.8	4,640,000	7.6	5,500,000	18.5	159.5
N.S.	31,757,605	39,790,000	25.2	49,735,000	25.0	56,400,000	13.4	62,900,000	11.5	98.0
N.B.	15,821,048	20,120,385	27.1	24,505,000	21.8	29,500,000	20.3	35,400,000	20.0	123.7
QUE.	254,762,028	302,736,806	18.8	370,906,000	22.5	421,200,000	13.6	494,100,000	17.3	93.9
ONT.	297,307,779	399,219,254	34.2	497,182,000	24.5	601,139,000	20.9	670,000,000	11.4	125.3
MAN.	36,285,944	45,993,846	26.7	53,543,000	16.4	66,883,000	24.9	73,400,403	9.7	102.2
SASK.	40,289,976	47,501,400	17.9	47,818,000	0.7	60,860,000	27.2	65,255,740	7.2	62.0
ALTA.	79,519,915	97,708,000	22.9	121,153,000	24.0	157,935,000	30.3	177,420,725	12.3	123.1
B.C.	67,791,529	84,658,840	24.9	100,568,467	18.8	110,000,000	9.3	121,000,000	10.0	78.4
TOTAL	833,425,572	1,049,358,001	25.9	1,285,895,467	22.5	1,527,700,745	18.8	1,727,876,868	13.1	107.3

(a) Based on final reports submitted by provinces.
(b) Based on latest estimates submitted by provinces.

Department of the Secretary of State
February 11, 1972

TABLE 2. FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS ACT, 1967 (PART II)

TOTAL VALUE OF TRANSFER[a] TO PROVINCES 1967-1972

($000s)

PROVINCE	1967-68	1968-69		1969-70		1970-71		1971-72		% Increase from 1967-68
NFLD.	7,500	9,443		11,567		13,742		15,542		107.2
P.E.I.	1,635	2,058		2,521		2,995		3,387		107.1
N.S.	15,879	19,895		24,868		28,200		31,450		98.0
N.B.	9,300	11,709		14,344		17,041		19,273		107.2
QUE.	127,381	151,368		185,453		210,600		247,050		93.9
ONT.	148,654	199,610		248,591		300,570		335,000		125.3
MAN.	18,143	22,997		26,772		33,442		36,700		102.2
SASK.	20,145	23,751		23,909		30,430		32,628		62.0
ALTA.	39,760	48,854		60,577		78,968		88,710		123.1
B.C.	33,896	42,320		50,284		55,000		60,500		78.4
TOTAL	422,293	532,014	(26.0%)	648,886	(22.0%)	770,988	(18.8%)	870,240	(12.9%)	106.3

(a) Represents the sum of value of tax abatement and equalization payments (Table 3) and value of cash adjustment payments (Table 4). It should be noted that Nfld., P.E.I. and N.B. are on the per capita arrangement.

Department of the Secretary of State
February 11, 1972

TABLE 3. FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS ACT, 1967 (PART II)

VALUE OF TAX ABATEMENT AND EQUALIZATION PAYMENTS (1967-1972)

($000s)

PROVINCE	1967-68	1968-69	1969-70	1970-71	1971-72	% Increase from 1967-68
NFLD.	5,394	6,447	7,485	8,383	9,295	72.3
P.E.I.	557	1,399	1,607	1,776	1,962	252.2
N.S.	8,185	9,663	11,184	12,390	13,661	66.9
N.B.	6,716	7,937	9,158	10,096	11,156	66.1
QUE.	62,894	75,414	87,809	96,988	107,026	70.1
ONT.	97,343	119,048	137,383	155,376	175,391	80.1
MAN.	10,371	12,366	14,354	15,832	17,484	68.6
SASK.	7,370	12,222	10,375	15,250	16,444	123.1
ALTA.	15,846	19,046	22,166	24,591	27,918	76.1
B.C.	24,881	30,108	34,996	39,072	45,799	84.0
TOTAL	239,557[1]	293,650[2]	336,517[3]	379,754[4]	426,136[5]	77.9

1. Final estimate of tax abatement (March 1969) and equalization (March 1970).
2. Final estimate of tax abatement (March 1970) and equalization (February 1971).
3. Estimated in December 1969.
4. Estimated in February 1971.
5. Estimated in July 1971

Department of the Secretary of State
February 11, 1972

TABLE 4. FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS ACT, 1967 (PART II)

VALUE OF CASH ADJUSTMENT PAYMENTS 1967-1972

($000s)

PROVINCE	1967-68	1968-69	1969-70	1970-71	1971-72	% Increase from 1967-68
NFLD.	2,106	2,996	4,082	5,359	6,247	196.6
P.E.I.	1,078	659	914	1,219	1,425	32.1
N.S.	7,694	10,232	13,684	15,810	17,789	131.2
N.B.	2,584	3,772	5,188	6,945	8,117	214.1
QUE.	64,487	75,954	97,644	113,612	140,024	117.1
ONT.	51,311	80,562	111,208	145,194	159,609	211.0
MAN.	7,772	10,631	12,418	17,610	19,216	147.2
SASK.	12,775	11,529	13,534	15,180	16,184	26.7
ALTA.	23,914	29,808	38,411	54,377	60,792	154.2
B.C.	9,015	12,221	15,288	15,928	14,701	63.0
TOTAL	182,736	238,364	312,369	391,234	444,104	143.0

Department of the Secretary of State
February 11, 1972

HOUSE OF COMMONS

Thursday, March 2, 1972.

The House met at 2 p.m.

ROUTINE PROCEEDINGS

AIRPORTS

ANNOUNCEMENT OF SITE FOR SECOND TORONTO INTERNATIONAL FACILITY—STATEMENT ON ONTARIO AIR SERVICES

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, the same statement as the one I am about to read to hon. members is being made at this hour by the Honourable the Treasurer of the province of Ontario in the legislature at Queen's Park.

The government of Canada and the government of Ontario have agreed that a new major airport will be located in Pickering Township just to the northeast of Toronto. The site is roughly between a line just north of Highway No. 7 in the south, north to the Uxbridge-Pickering Township boundary and between the Little Rouge Creek on the west and East Duffin Creek on the east. As a co-operative venture, lands will be acquired by the federal government for the airport site and by the provincial government for the immediate surroundings.

The choice of a site northeast of Toronto has come after an exhaustive federal-provincial evaluation since 1968 of 59 potential airport sites in the area within a 50-mile radius of Metropolitan Toronto.

It has now been decided that for a number of compelling reasons, the Pickering Township site is more suitable than any of the other sites studied. In the first place, it is an excellent site, consistent with safety and other aeronautical considerations.

Second, it is also the closest site to Toronto of all the proposed sites and, therefore, provides the easiest accessibility.

Third, because it is reasonably close to Lake Ontario and to a number of major transportation arteries leading out of Toronto, investment in water, sewage and transportation access facilities will be less than at other sites.

Fourth, even though it is close to Toronto, population in the immediate vicinity of the new airport is small. No major communities will be seriously affected by expropriation or very high noise levels and the environmental impact is minimized.

Finally, and in many respects most important, the location of the airport east of Toronto is the result of joint federal-provincial effort to provide a major stimulus to development east of Metropolitan Toronto, as called for in the Toronto-centered region plan.

The southern part of the airport site lies along the route of a series of proposed urban communities to the east of Toronto, which will be separated from existing lakeshore urban centres by a series of multi-purpose transportation, service and recreation corridors. The government of Ontario has been redesigning the shape and location of some of these proposed communities in order to take account of the airport location and to ensure that areas which could be affected by uncomfortable noise levels are not slated for residential development. Transportation and service access facilities are also being designed so that the airport will be on a rapid-transit line linking the new communities east of Toronto to Metropolitan Toronto and Malton. The proposed parkway belt and service corridors are also being designed to serve as a separator between the airport and the airport-related community and the existing urban centres along the lakeshore.

The airport site itself is in the neighbourhood of 18,000 acres. The initial role of the airport will be to provide a variety of services, including international, scheduled and charter operations, thus complementing on a rational basis services at Malton and relieving congestion at Malton.

• (1410)

In addition to providing a new national major airport site, it will also be an integral part of an air system for the Toronto region, and will ensure the provision of efficient and adequate air services, minimizing the problems of noise and air pollution. The land acquisition will begin immediately and the opening date for the first airport activities is planned for 1978-79. Flexibility in the scale and time of expansion is a designed feature of the new airport system.

The governments have agreed that serious consideration will be given to the utilization of the existing Toronto Island airport for short take-off and landing—STOL—aircraft as this technology develops.

The federal government is today filing notice of intention to acquire, in accordance with its new Expropriation Act, all the land required for the airport site itself.

The provincial government is introducing legislation today related to the acquisition of land in the vicinity of the airport which will be crucial to the orderly provision of service and transportation access to the airport and the development of the planned community associated with the airport.

The provincial government will ensure by a number of actions that land use in the airport vicinity is compatible with airport operations and with the regional planning concept. Land exposed to aircraft noise and areas being substantially influenced by urban growth pressures generated by the airport will be controlled by the Minister of Municipal Affairs.

Second Toronto Airport

Agreement has been reached in principle between the two governments on the sharing of many of the expenditures associated with the airport development. A portion of the land acquisition by the province will be carried out through funding arrangements under a variety of joint endeavours.

Generally speaking, it has been agreed that the federal government will be responsible for on-site costs of airport projects, as well as relocation costs resulting from the displacement of services. The provincial government will assume responsibility for the provision of basic services such as water and sewage to the boundaries of the airport. Federal assistance may be provided to a certain extent through existing programs. The two governments have agreed to study the implications of mass transit and other transportation facilities related to airport development, with a view to working out joint financing arrangements. This is, in fact, a continuation of work now going on in the Toronto area.

To study this and other related co-operative aspects of implementation, the federal government and the government of Ontario have agreed to establish a federal-provincial committee to make recommendations to their respective governments.

The implementation of the airport project will require close collaboration among all three levels of government. Obviously, the federal government will have basic responsibility for the development on the airport site itself. The province has the prime responsibility, in co-operation with the area municipalities, for the implementation of development off the airport site. The municipalities will be informed immediately of the implications for them and discussions will begin on the establishment of machinery to ensure that they are effectively involved in the implementation process.

That, Mr. Speaker, is the end of the joint statement by the federal government and the government of Ontario. I should like now to add, on behalf of the federal government, Mr. Speaker, that on various occasions I have stated publicly that for large developing areas such as Toronto and southwestern Ontario the construction of one new airport is not in my view the sole solution for the provision of adequate aviation systems for the public at large. For areas such as these, I have stated that rather than the development of one airport we have to be more concerned with the development of an aviation system. In this context, the government plans to take immediate steps to upgrade existing facilities in southwestern Ontario and to continue studies to determine the long-term requirements of the area as a whole.

The initial step in developing an aviation system for Toronto and southwestern Ontario will be the extensive improvement of facilities at Hamilton, London and Windsor airports. Amongst other considerations, the purpose will be to provide better domestic services directly from these centres and the capacity to originate and receive long-haul charter and international flights. It is planned that these airports will be an integral part of the over-all system which includes the present Toronto international airport at Malton and the new international airport which is to be built, as I just said, 30 miles to the northeast of downtown Toronto.

[Mr. Jamieson.]

The underlying purpose in terms of the travelling public is that these three centres form the hub for a series of growth centres which the federal government feels are entitled to improved domestic services as well as longer haul charter and scheduled international services. This will tend to relieve existing pressures at Malton.

There will, of course, be a continuing need to provide better feeder service from a variety of centres in Ontario to the two major airports in the Toronto region, and I have asked Air Canada to consult with the government of Ontario and other interested parties with a view to initiating services to this end. We will also, in conjunction with Air Canada, take into account the latest technologies including STOL which has important significance for the Canadian aerospace industry.

Finally, Mr. Speaker, I will ask Air Canada to look into the initiation of improved services to and from Toronto to northern Ontario centres including Sudbury and Timmins. That is the end of the statement. I now wish to table an exchange of correspondence with the Hon. Mr. McKeogh which confirms the statement I have just read and contains an annex with more details concerning the extent and degree of federal-provincial co-operation.

Mr. A. D. Hales (Wellington): Mr. Speaker, I first want to thank the minister for providing copies of the announcement he has just made concerning the location of the new auxiliary airport in the Pickering township area.

We have waited for this announcement for some time. As a matter of fact, many Canadians have been held in limbo as to decisions they should make one way or another arising out of the location of this new airport. The minister promised a decision on this site as far back as November, 1969. In April, 1970 he said the decision would be made by the fall. At that time he did not say which fall. In any event, he is making the announcement in the spring of 1972. We appreciate receiving it at last. Maybe we appreciate it a little more because we waited so long for it.

Up until yesterday morning this was one of the best kept secrets in many a day. Maybe the minister could instruct some of his colleagues in the cabinet on how to keep secrets.

Some hon. Members: Hear, hear!

Mr. Hales: We would not have quite so many leaks. Until the article appeared yesterday in the *Globe and Mail* the new site had been a well kept secret. I congratulate the minister and his staff on doing just that.

We do not propose to agree or disagree with the location. No matter where an airport site is chosen, there will be those in favour and those against. I agree that it is a difficult decision. However, the official opposition feels that the government has not had a long-term aviation plan for Canada. The government recently agreed to spend approximately $400 million on the Ste. Scholastique airport outside of Montreal and now it is going to spend $400 million on another airport site near Toronto. If the government had taken a long-term view of the whole aviation program, it might have considered it would be much better to establish one airport in the Kingston area where good subsoil exists and develop a railway service along

the lines of what Japan has with its torpedo train that operates at 135 miles an hour, from Kingston to Montreal and Toronto. People could then land at one central airport and be in either Montreal or Toronto in one hour or less. This type of long-term planning could have saved the Canadian taxpayers a great deal of money and also have provided the type of service they expect.

The area that will apparently be expropriated is approximately 18,000 acres. I do not think this is nearly enough. If these are the facts, this is most important because future requirements and the protection of land owners and taking care of speculators have been overlooked. We will wait and study this matter further. I hope that arrangements have been made to protect a greater area than 18,000 acres.

• (1420)

There are many other things I should like to say at this time but we will reserve further observations until we have had a better chance to study what the minister has said. I am prepared to forgo some of my time in favour of the hon. member for Trinity, who is an independent member, if it will not offend precedent. He lives in Toronto and I am sure he is very interested in this matter and might wish to make some observations.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I should like to join the Conservative member who has just preceded me in welcoming the minister's statement. We have been looking forward to this statement for some time. I think the five reasons given in the communiqué which was issued jointly by the minister and his counterpart in the Ontario government are very cogent.

I should like to stress in particular the importance and relevance of two points which were made in justifying the location of the new airport north of Pickering. The first is that it will be an important shot in the arm economically for the whole region east of Metropolitan Toronto. It is a region which from the point of view of both federal and provincial policies has been somewhat overlooked in terms of development. It is my hope and belief, and presumably it is the government's also, that location of the airport there will assist in bringing about the kind of economic development that is necessary.

Second, there is the fact that relatively few people live in this region northeast of Metro Toronto. Airports, as we are increasingly coming to realize in the developing industrial world, are by no means an unmixed blessing. I was very pleased, from a human point of view, to learn that the airport is not to be located in an area in which population is densely concentrated.

Having said this, I should like to raise three questions in connection with the minister's statement. The first is based on the fact that the airport is to be designated as an international airport. This has important consequences for future air travel in Canada as it affects both passenger and cargo service. Does this mean, as I hope it does, that in future international airlines will have landing rights not only at Montreal, for example, but in the Toronto region? The need for this has been overlooked in the past. A change is overdue. I do not mean just the Toronto region but, hopefully, the Winnipeg area as it develops. In terms of providing international service, service should be the important factor and international carriers should have the right to land not only at Montreal but at points west. It would seem to me from the minister's announcement that this is what is intended. I hope this intention is carried out.

The same point could be made in relation to air cargo traffic. Some tough-minded economic decisions obviously have to be made here, too, in terms of giving priority to one area as opposed to another. Once again I think, frankly, the policy should be one of giving the customer the right to decide to which airport his cargo should go. In this area, government regulation on the basis of the information we have now is a bad thing; it is better that a laissez-faire policy, if you like, in terms of air cargo should prevail.

The next point I should like to make was alluded to by the previous speaker. I refer to the important question of land speculation. I noted that in last year's estimates the minister's department, for example, had an intended expenditure of $24 million for the purchase of land. The estimates for 1972-73 include an estimate of $62 million, which is a rather substantial increase in the amount allocated to the purchase of land.

Although I do not wish to imply there is anything untoward about this—the minister knows, of course, that no one makes political speeches in the House—I should like to ask whether the change in the allocated amount is to meet the cost of the same land. The minister announced today that the intention was to purchase 18,000 acres, and I am interested in whether the change in the estimate from $24 million to $62 million covers the same land. If it does, then there has been rather an inflated increase in the price of that land. I think this is a serious issue and we should learn soon exactly what acreage was involved for which the two estimates were made.

Related to this, Mr. Speaker, hon. members read with interest, I am sure, the cabinet leak that appeared in yesterday's *Globe and Mail* concerning the location of the airport. This leak turned out to be what one might say was a reasonably accurate estimate of where the new airport would be constructed. This dovetails with the land speculation question. I hope it is the case that this information was not known to people who might have had a vested economic interest in this land many days preceding the minister's announcement today. A cabinet leak of this sort is of very real importance to the taxpayers of this country. For example, if the location was known a number of weeks ago it might well be the case that some people have been put in the position to make a rather substantial profit on the land that is going to be sold to the government.

May I make one last observation. It seems in this instance that we have had a good example of federal-provincial co-operation in reaching a common objective. I should like to hope that this is the beginning, from the point of view of the minister, of the development of a national transportation policy in which the federal government, together with all of the provinces, can sketch the outline of an integrated transportation policy which would include rail, air and road travel, so that in future we can have a healthy meshing of these different kinds of services.

Regional Economic Expansion

I conclude, Mr. Speaker, by congratulating the minister on his decision; I think it was a wise one.

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, the minister's statement announcing a tripartite agreement will promote, we hope, the development and progress of that area of the country. We hope that activities at that airport will not give rise to any conflict nor lessen the importance of the Sainte-Scholastique international airport.

* * *

[*English*]

REGIONAL ECONOMIC EXPANSION

ALLEGED CONFLICT OF INTEREST OF INDUSTRIAL INCENTIVES ADVISORY BOARD MEMBERS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. John Burton (Regina East): Mr. Speaker, I wish to ask for unanimous consent to move a motion under Standing Order 43. My motion arises from the fact that four out of five non-civil servant members of the Industrial Incentives Advisory Board are prominent members of the business community, and two of them are executive officers of a corporation that has received five grants totalling $6.9 million. This obviously poses a very serious potential conflict of interest. Therefore I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the matter of potential conflict of interest for members of the Industrial Incentives Advisory Board be referred to the Standing Committee on Regional Development for study and report thereon.

Mr. Speaker: The hon. member has proposed a motion under the terms of Standing Order 43 which would require the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity. The hon. member's proposed motion cannot be put.

• (1430)

* * *

[*Translation*]

PENITENTIARIES

TABLING OF REPORT ON MAXIMUM SECURITY INSTITUTIONS

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, I would like to table in both official languages a copy of the task group force report on plans for federal maximum security institutions.

[Mr. Broadbent.]

CRIMINAL CODE

AMENDMENT RESPECTING FALSE FIRE ALARMS

Mr. Marcel Prud'homme (Saint-Denis) moved for leave to introduce a bill to amend the Criminal Code (false alarm of fire—penalty).

Some hon. Members: Explain.

Mr. Prud'homme: Mr. Speaker, this is a bill which I tabled on September 17, 1971 and which, through the kind co-operation of the former Minister of Justice (Mr. Turner) has now been incorporated in Bill C-2 tabled on February 21, 1972.

I would therefore ask for leave of the House to withdraw the bill, since the proposed amendment will be discussed during consideration of Bill C-2.

Mr. Speaker: Does the House agree?

Some hon. Members: Agreed.

Bill withdrawn.

* * *

CANADIAN CITIZENSHIP ACT

AMENDMENT RESPECTING MINIMUM RESIDENCE REQUIREMENT

Mr. Marcel Prud'homme (Saint-Denis) moved for leave to introduce Bill C-165 to amend the Canadian Citizenship Act (minimum residence requirement).

Some hon. Members: Explain.

Mr. Prud'homme: Mr. Speaker, this is a bill that I tabled in the House on June 25, 1970 and that I should like to introduce again.

This bill is designed to reduce from five to three years the minimum requirement for residence in Canada as regards applicants for citizenship certificates.

Mr. Speaker: Does the House allow the hon. member to introduce the said bill?

Some hon. Members: Agreed.

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

* * *

CRIMINAL CODE

AMENDMENT RESPECTING ATTEMPTED SUICIDE

Mr. Marcel Prud'homme (Saint-Denis) moved for leave to introduce a bill to amend the Criminal Code (attempted suicide).

Some hon. Members: Explain.

Mr. Prud'homme: Mr. Speaker, this is a bill that I tabled on December 15, 1969 in order to remove attempted suicide from the Criminal Code.

Again, Mr. Speaker, I should like to thank the former Minister of Justice (Mr. Turner) who has kindly included

this amendment in Bill C-2 which contains amendments to the Criminal Code and is presently on the order paper. I therefore beg leave of the House to withdraw the said bill.

Mr. Speaker: Does the House agree?

Some hon. Members: Agreed.

Bill withdrawn.

[*English*]

ORAL QUESTION PERIOD

INFORMATION CANADA

ALLEGED INEFFICIENT OPERATION—SUGGESTED DISBANDING

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the right hon. Prime Minister. In view of the information from Information Canada that it is in total disarray and is without direction from the minister responsible, can the Prime Minister tell the House what specific action the government proposes to take?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the Leader of the Opposition is referring to an item in this morning's paper—

An hon. Member: Leaked?

Mr. Trudeau: Yes, leaked. If the Leader of the Opposition is referring to an item in this morning's paper, I understand it is an internal memorandum prepared by officials for officials. It was not known by the minister or by the government. I can only say that if officials are engaged in this kind of self-criticism it is perhaps a good thing, better than having them circulate laudatory memoranda on the good work they are doing.

Mr. Baldwin: There is not much room for that, no opportunity.

Mr. Fairweather: The government does that.

Mr. Stanfield: In view of the information in the memorandum to which the Prime Minister has referred and the escalating costs of Information Canada as shown in the estimates tabled the other day, would the Prime Minister not stop this waste of millions of dollars of the taxpayers' money and disband Information Canada as it is now constituted?

Some hon. Members: Hear, hear!

Mr. Trudeau: I believe that at the outset the opposition parties received Information Canada as a great menace to liberty of information. They saw in it a potential propaganda machine for the government. I do not think they should be distressed now if the machine is not grinding out much propaganda.

Mr. Orlikow: But it is costing $10 million.

Mr. Trudeau: The process is not working as efficiently as we would like, and the memorandum bears this out. I do not think this government should refuse the challenge to set up efficient and well-operating information services. Practically every modern government in the world has them. I think that perhaps the people in this outfit were somewhat frightened by the fears raised by the opposition that Information Canada would grind out too much propaganda, and they perhaps have not been audacious enough in their approach to these matters.

Some hon. Members: Oh, oh!

Mr. Stanfield: First of all, I should like to apologize if I have in any way terrorized the government.

Some hon. Members: Oh, oh!

Mr. Stanfield: I should like to ask the Prime Minister whether, in view of the wide publicity that this leak has received, he can assure us that Information Canada will be in charge of all future governmental leaks?

ALLEGED INEFFICIENT OPERATION—REQUEST FOR COMMITTEE INQUIRY OR STATEMENT

Mr. Barry Mather (Surrey-White Rock): I have a supplementary question for the Minister of Labour who reports to the House for Information Canada. Having in mind the sorry state of affairs in Information Canada as revealed in the reported memorandum by its deputy director from which it would seem that futility and extravagance are about equal, will the minister either welcome an inquiry into the matter through an appropriate committee of the House or make an early statement on motions so that the country will know whether it is the government's intention either to straighten up or wind up Information Canada?

Hon. Martin P. O'Connell (Minister of Labour): There will be an opportunity in the appropriate standing committee to examine the programs and expenditures of Information Canada. I should also like to comment upon and answer the first part of the question which suggested extravagance. The report in the *Globe and Mail* is an inaccurate report. It skips one year in its comparison. It skips from actual spending in the first year of the new agency to budgeted spending for the coming year. Actually, the increase is $1.2 million next year over this year, and that is more than accounted for by the increase in postage which Information Canada—

Some hon. Members: Oh, oh!

Mr. O'Connell: For the first time and because of a change in accounting rules the agency will be paying postage amounting to $1¼ million. We are making savings in the total picture. Another $1¼ million is for four new information centres at Halifax, Toronto, Vancouver and—

Mr. Speaker: Order, please. For the moment the Chair will recognize the hon. member for Surrey-White Rock on a further supplementary question and then go to the hon. member for Prince Edward-Hastings.

Mr. Mather: I have a supplementary question for the minister. In view of the fact that government information

expenditures, including Information Canada, are now running at the rate of $1 million a week in this election year, will the minister undertake to review this situation with a view to saving public money, if not government credibility?

• (1440)

Mr. O'Connell: Mr. Speaker, we are starting at home. We are making savings in Information Canada, and we will be encouraging all departments to do that. But I want to point out that each department is autonomous in its own right in its information programming. I would invite the hon. member to look at what proportion government information expenditures represent of government expenditures and I think he will find that it is perhaps a quarter of one per cent of the total. We have a responsibility, which I am sure he would support, to inform Canadians about government programs and of their own rights to access to such programs.

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, does the minister consider that the Canadian people will get their money's worth from the $10½ million budgeted for next year when this agency requires three weeks longer to make information available than was the case formerly when information was supplied by the individual departments.

Mr. O'Connell: Canadians still receive information from individual departments.

Mr. Hees: Three weeks late.

Mr. O'Connell: We have been taking a very close look at this and re-evaluating the time lag in supplying books and so forth. It is now down to about seven days. We are going to improve that. There is a cataloguing going on in the book storage centre over in Hull, and I think the information given out will certainly match the information given by the hon. gentleman.

Mr. Hees: As a further supplementary question—

Mr. Speaker: Order please. We will have to move to another subject. I am wondering, first, whether the hon. member for Bellechasse has a supplementary.

[*Translation*]

Is the hon. member for Bellechasse rising on a supplementary?

Mr. Adrien Lambert (Bellechasse): No, Mr. Speaker.

Mr. Speaker: I shall give the floor to the hon. member in a moment.

[*English*]

For the moment the Chair will recognize the hon. member for Fundy-Royal on a supplementary.

ALLEGED INEFFICIENT OPERATION—REQUEST FOR TABLING OF DEPUTY DIRECTOR'S MEMORANDUM

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, if the memorandum is out of date and inaccurate, will the minister table it so that we can share his propaganda about the propaganda of Information Canada?

[Mr. Mather.]

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, the memorandum was an internal working document designed to stimulate discussion in the management group of Information Canada. I think the hon. gentleman would agree that it would be improper to table such an internal working document.

ALLEGED INEFFICIENT OPERATION—KNOWLEGE BY GOVERNMENT OF DEPUTY DIRECTOR'S MEMORANDUM PRIOR TO BUDGET APPROVAL

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I too wish to direct a supplementary question to the Minister of Labour responsible for Information Canada. Was the minister aware of the memo by the Deputy Director General of Information Canada, dated January 24, prior to the government's final approval of the almost 50 per cent increase in the budget of Information Canada?

Hon. Martin P. O'Connell (Minister of Labour): The answer to the first question is that I was aware of the memo this morning. With respect to the second part of the question, the increase is 11 per cent and not 60 per cent as reported in the *Globe and Mail*. It may vary depending on what lapsing funds we have this year; and we are doing a very thorough re-evaluation seeking economies within Information Canada.

Mr. Hees: As a further supplementary—

Mr. Speaker: Order, please. There are a number of hon. members seeking to ask supplementaries but we have not completed the first round of the questioning. The Chair will return to them later. The hon. member for Nanaimo-Cowichan-The Islands.

* * *

THE CANADIAN ECONOMY

FOREIGN INVESTMENT—STATEMENT BY MINISTER OF INDUSTRY, TRADE AND COMMERCE—GOVERNMENT POLICY

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the right hon. Prime Minister arising out of a speech made by the Minister of Industry, Trade and Commerce before the Mid-America World Trade Conference in Chicago. According to the release from the minister's office the minister is quoted as saying:

> Canada will remain one of the most open and secure locations for investment by non-residents.

I want to ask the Prime Minister whether the statement that Canada will remain one of the most open locations for investment by non-residents is government policy, and whether this is the policy which has been adopted by the government with respect to foreign ownership?

Right Hon. P. E. Trudeau (Prime Minister): Well, Mr. Speaker, we never gave any indication that our policy would result in a prohibition of foreign investment in Canada in general or in any of the provinces in particular.

So there is no contradiction with what the minister says is the kind of policy we are looking at.

Mr. Douglas: In view of the screening mechanism recommended by the Minister of National Revenue, and the fact that U.S. Secretary of the Treasury, Mr. Connally, yesterday was again upbraiding Canada for its position on trade matters, may I ask the Prime Minister if this modification of the government's program with respect to foreign ownership is related to the dispute which is now going on with the United States respecting trade matters?

Mr. Trudeau: Mr. Speaker, it is difficult to see how the hon. member can talk about the modification of a program of which he knows nothing.

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I have a supplementary question for the Prime Minister. Has he any intention to amend his statement carried on national television news last night in view of the remarks of Secretary Connally immediately before him?

Mr. Trudeau: The one about the opposition shaking in their boots every time America talks, Mr. Speaker?

Some hon. Members: Oh, oh!

Mr. MacInnis: Mr. Speaker—

Some hon. Members: Order!

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

Mr. MacInnis: Yes, Mr. Speaker.

Mr. Speaker: I will recognize him on a point of order, but again I bring to the attention of hon. members that we have not yet completed the first round of questioning and the hon. member for Bellechasse is still waiting to ask the first question on behalf of his group. The hon. member is seeking the floor on a point or order?

Mr. MacInnis: Yes, Mr. Speaker.

Some hon. Members: Oh, oh!

Mr. MacInnis: I was under the impression that I had the floor, Mr. Speaker. My point of order arises from a ruling you have made on several earlier occasions which does not allow the Prime Minister to ask questions of opposition backbenchers.

Some hon. Members: Oh, oh!

* * *

[*Translation*]

MANPOWER

LOCAL INITIATIVES PROGRAM—ACCEPTANCE OF PROJECTS SUBMITTED BEFORE JANUARY 31, 1972

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I have a question for the hon. Parliamentary Secretary to the Minister of Manpower and Immigration.

Further to his reply of February 28 to the question put by my colleague the hon. member for Portneuf (Mr. Godin) to the effect that there were still $4 million for distribution, but that this does not mean that applications exceed funds available, I should like to ask him whether projects submitted before January 31, 1972 will be accepted promptly and whether promoters will be informed in the near future.

[*English*]

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): I understand the Minister of Labour is prepared to answer this question, Mr. Speaker.

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, all of the projects that are going to be approved have now been identified. The department is in the final stages of notifying the applicants and writing contracts with them. This will take a little while, but the identification process has been completed.

[*Translation*]

LOCAL INITIATIVES PROGRAM—CRITERIA RESPECTING DATE OF PRESENTATION OF PROJECTS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I have a supplementary.

In view of the confusion prevailing as to certain points concerning the date for submission of projects, may I ask whether the regulations stipulate that the project must reach the regional office of a province by January 31 or whether the approval date, in the case of Quebec for instance, can be January 31 even though the project reaches the regional office on February 1 or 2?

[*English*]

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, I think the rule is quite clear that the project should have arrived on the desks of the Department of Manpower by January 31 in order to be fair to all applicants across Canada. If the hon. gentleman has any specific case that merits any special consideration I would listen to him, but I would not want to give him too much encouragement at this time.

LOCAL INITIATIVES PROGRAM—SUGGESTED EXTENSION OF DEADLINE FOR COMPLETION OF PROJECTS

Mr. Don Mazankowski (Vegreville): Mr. Speaker, in view of the fact there have been a number of undue delays in the processing and final approval of projects, and I might say desirable projects, under the LIP program, which in turn has caused delays in the commencement and the final completion of projects, making it difficult to meet the May 31 deadline, is the government giving any consideration to extending the deadline in such extenuating circumstances in order that communities may take advantage of the program?

• (1450)

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, no particular consideration is being given to that question. However, I want to assure the hon. member that the program is under constant review and if any special circumstances are discovered with respect to special

situations they will be looked at, but we have no intention of changing the basic regulations as they have been established for everyone.

Mr. Baldwin: A supplementary—

Mr. Speaker: Order, please. There are four or five members seeking supplementaries but we will have to move on to the next subject in a moment. The Chair will recognize the hon. member for Peace River on a supplementary and then go to the next subject.

LOCAL INITIATIVES PROGRAM—REQUEST FOR SPECIFIC INQUIRY INTO CERTAIN PROJECTS

Mr. G. W. Baldwin (Peace River): In view of the fact that the supplementary estimates for this program were pushed through last session and as there is some question about the validity of some of these programs, including the one in Toronto which apparently is for an answering service for an alleged homosexual society, will the minister co-operate in having a specific inquiry made into some of these projects rather than their just being considered in the normal way on estimates?

Some hon. Members: Hear, hear!

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, if the hon. gentleman has any specific reference to any project, we want to hear about it.

Some hon. Members: Oh, oh!

Mr. Baldwin: I will give you the telephone number—or ask Information Canada.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): What are you worried about, Jed?

Some hon. Members: Explain!

Mr. O'Connell: Mr. Speaker, I wish to encourage the hon. member to describe the projects more accurately than he has. In answer to the other question, every project will be monitored at least once. There will be a financial audit and progress reports are required from the sponsors of every project. The whole approvals administration is now being converted in phase two into a monitoring operation, so we do intend to be in close contact with these projects to see that they stay on track in accordance with the contracts.

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THE MINISTRY

LETTER SENT UNDER SIGNATURE OF MINISTER OF REGIONAL ECONOMIC EXPANSION SEEKING FUNDS FOR PARTY—REQUEST FOR LIST OF RECIPIENTS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of Regional Economic Expansion and concerns a billet-doux that he, as bagman for the Liberal party, sent out in which it is stated: "funds must be available so that work of the party, in the next few months, may be adequately financed". I ask this question in view of the admonition of the Prime Minister last night that we should "cultivate with a sure hand and a delicately tuned sense of understanding".

Mr. Trudeau: Hear, hear!

Mr. Diefenbaker: In that spirit may I ask the minister whether he, being a minister of the Crown with hundreds of millions of dollars to dispose of, sending out such letters and being unable to bifurcate himself into a minister and bagman at the same time, would table the list of recipients of this letter so that we may decide what the purpose of it was and whether it is contrary to the principles of government that have always been recognized?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, I state solemnly in this House, that I have never collected a cent for the Liberal party; as leader for Quebec, and responsible for Quebec, I merely sent a letter of invitation to a fund-raising cocktail. I believe the right hon. member or some members of his party may even have received an invitation because they are sent systematically by the Federation. All I did was send a letter and no one—this I state solemnly—knows the names of the companies that ask for subsidies from the department; never are those companies approached for funds, unless it is later on, and then I know not by whom.

[*English*]

Mr. Diefenbaker: Mr. Speaker, the question is, did the minister send such a letter because I saw the letter signed by his own hand.

Some hon. Members: He said so.

Mr. Diefenbaker: What business has this minister, heading a responsible department, to bring about at this time a system of benevolence that passed out during the days of the Stuarts? I ask the minister if he will table the list of those to whom the letter was sent so we can determine what he had in mind?

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, the question should be directed to the Quebec wing of the Liberal Federation of Canada; it is that body which sent the letter and I am the one who signed it. It is merely a letter of invitation—

An hon. Member: Attention, be careful.

Some hon. Members: Be cautious with your answer.

Mr. Marchand (Langelier): —that is to say—

Mr. Speaker: Order, please.

An hon. Member: Resign, resign.

Mr. Marchand (Langelier): —that is to say that there is in the Liberal party a democratic spirit which does not exist in the Progressive Conservative party.

[*English*]

Mr. Hees: You signed it. It is your letter.

Mr. Speaker: Order, please. May we have order, please.

Mr. Marchand (Langelier): I usually sign the letters. Ask the federation.

Mr. Diefenbaker: Whom did you send them to?

Mr. Marchand (Langelier): You received an invitation and you declined.

Mr. Speaker: Order, please. The hon. member for Brant.

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INDIAN AFFAIRS

DEATH OF SANDY LAKE WOMAN FROM MALNUTRITION—REQUEST FOR STATEMENT ON HEALTH SERVICES IN NORTHERN ONTARIO OR PUBLIC INQUIRY

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. Is the minister aware of the tragic circumstances surrounding the death from malnutrition last December of a Cree woman at the Sandy Lake Reserve and, specifically, has he received the report on the recommendations made last Friday by the coroner's jury?

Hon. John C. Munro (Minister of National Health and Welfare): Yes, Mr. Speaker.

Mr. Blackburn: In view of the fact that some 1,500 treaty Indians at the Sandy Lake Reserve are provided with utterly inadequate health services, for instance, the nearest medical doctor is 300 miles away, would the minister contemplate making a statement at his earliest opportunity on the state of health services provided for Indians in northern Ontario, or would he agree to initiate a public inquiry into this deplorable situation?

Mr. Munro: Mr. Speaker, I would advise the hon. member for Brant that in this general area in the course of the next month we are opening three new nursing stations at a cost of approximately $200,000 each. In the intervening period we are taking steps to improve Indian health services even further. I would indicate also that over the course of the last three years the resources, financial and personnel, that have gone into Indian health services—

Mr. Speaker: Order, please. The hon. member for St. John's East.

* * *

REGIONAL ECONOMIC EXPANSION

ALLEGED GRANT TO A. BÉLANGER LTÉE.—REQUEST THAT MINISTER CORRECT ANSWER

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to direct a question to the Minister of Regional Economic Expansion, especially since he seems to be in the mood for making solemn declarations. In his departmental capacity will the minister now correct the record or the totally false and misleading answer he gave to the hon. member for Lanark-Renfrew-Carleton on Monday last regarding a grant paid to the firm of A. Bélanger

Ltée., which will result in the closing of a branch plant operation in Carleton Place, Ontario?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, I was asked on Monday whether the company Bélanger-Tappan Ltée had received a grant from my department, or whether we had an application for a grant from that company pending. I gave a firm negative reply in both cases and, in truth, there has been no such thing. That company has not been given a grant, and there is no application pending in my department. What happened was that about a year ago that company made an application for a grant, which we accepted. The company accepted our offer but we then withdrew it by a letter dated February 11, 1972. We wrote to the company to tell them that their file had been closed and that they would not receive a grant.

The document referred to by the hon. member for St. John's East is not the one that was tabled in the House, but a kind of summary of government activities, and the hon. member will see in the document which will be tabled next month that such grant was never made. Therefore, no explanation is called for. I hope that the hon. member for St. John's East will have the honesty to correct the erroneous and foolish things which he has been repeating outside the House.

[*English*]

Mr. Speaker: May we have order, please. The hon. member for St. John's East.

Mr. McGrath: Mr. Speaker, on a supplementary may I ask the minister whether he is prepared—

Some hon. Members: Withdraw!

Mr. McGrath: I have nothing to withdraw, Mr. Speaker.

Some hon. Members: Oh, oh!

Mr. McGrath: I have nothing to withdraw. I have the record of the department which indicates that a grant was made—

Mr. Marchand (Langelier): No.

Mr. McGrath: —and no further declaration was made by the department to correct that statement—

Mr. Speaker: Order, please.

Mr. McGrath: —and which he knows does exist—

• (1500)

Mr. Speaker: Order, please. Would the hon. member please resume his seat. I suggest that at this point we are entering into debate between the minister and the hon. member, and we should not have a debate. If the hon. member has a supplementary question, I will recognize him. I am rather anxious to get on and live up to the commitment I made yesterday to recognize hon. members who have been anxious to ask questions for a few days, including the hon. member for Churchill. If the hon. member for St. John's East has a supplementary question to ask, he will be recognized provided it is short and the

minister can reply briefly. The Chair will then recognize the hon. member for Churchill.

Mr. McGrath: Mr. Speaker, the minister's answer was quite lengthy, and I feel that I ought to be able to ask a supplementary question based on the minister's answer. I was trying to do that. I want to ask the minister whether he is now prepared to lay on the table of the House all correspondence between himself and the firm of A. Bélanger Ltée regarding the grant that was announced on June 30, 1971. I also ask the minister why he was so anxious to take the credit for this grant in the eyes of the public when he never made a correction?

Mr. Speaker: Order, please. This is debate. The hon. member for Churchill.

Mr. McGrath: Mr. Speaker, I have a further supplementary.

Mr. Marchand (Langelier): It is useless to bring documents to the hon. member's attention. He does not know how to read them.

Mr. Speaker: Order, please. I recognized the hon. member on a supplementary and drew to his attention that other hon. members are interested in asking questions. The first part of the supplementary was legitimate. The hon. member invited the minister to indicate whether he was willing to table certain documents. If the hon. member will allow the minister to reply to that question, I will then go to the next questioner.

Mr. McGrath: Mr. Speaker, I rise on a point of order. The record will show that the minister gave a misleading answer to the hon. member for Lanark-Renfrew-Carleton. I raised this as a question of privilege yesterday.

Mr. Marchand (Langelier): The hon. member does not know how to read.

Mr. McGrath: Mr. Speaker, I merely asked the minister a question, and I have nothing to withdraw. He stands condemned by his own answer which he gave on February 28, as recorded at page 305 of *Hansard*.

Mr. Speaker: Order, please. This is debate, and I really do not see why the hon. member should want to raise the matter as a point of order. It seems to me that the position is quite clear. A question was asked by the hon. member and a reply given by the minister. Certain facts may be in dispute, but we should not, I suggest, either by way of question of privilege or point of order, dispute or continue to debate the facts as alleged either by the minister or by the hon. member. I really think we should go to the next subject. I recognize the hon. member for Churchill and thank him for his patience.

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CANADA PENSION PLAN

REQUEST THAT CONTRIBUTORS BE SUPPLIED WITH ANNUAL STATEMENT OF CONTRIBUTIONS

Mr. Robert Simpson (Churchill): Mr. Speaker, my question is for the Minister of National Health and Welfare. In view of what appears to be an unfair obligation placed upon every contributor to the Canada Pension Plan to verify that his contributions are properly recorded and credited, has the minister given consideration to requesting Canada Pension Plan officials to supply each contributor with an annual statement of contributions, as is required by the government of private business and employers?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I will be pleased to look into this matter.

* * *

[*Translation*]

MANPOWER

LOCAL INITIATIVES PROGRAM—INQUIRY AS TO WHEN FUNDS WERE EXHAUSTED

Mr. René Matte (Champlain): Mr. Speaker, I have a question for the Minister of Labour.

Could he tell us exactly on what day in January there were no longer any funds available for local initiative projects submitted by municipalities?

[*English*]

Mr. James A. McGrath (St. John's East): You were caught short. You do not even read your own departmental research. You do not even read your own statistics.

Mr. Marchand (Langelier): That is what you say. You do not know what we do.

Mr. McGrath: You were caught with your pants down.

Mr. Marchand (Langelier): You don't know what we do.

Mr. Speaker: Order, please. The hon. member for Champlain is trying to ask a question and these exchanges back and forth make it impossible for the Chair to hear the hon. member for Champlain. I think, even though he is at the other end of the chamber, he should be given a chance to ask his question.

[*Translation*]

Would the hon. member for Champlain please repeat his question? The interventions that have just taken place have prevented me from hearing him.

Mr. Matte: Thank you, Mr. Speaker. I have a question for the Minister of Labour.

I would like to know the exact date in January when there were no longer any funds available for local initiative projects submitted by municipalities.

[*English*]

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, if I understand the question correctly, the date is not in January at all. The cut-off date for applications was January 31. I have tried to indicate that the assessment process is continuing. All projects that will be approved have now been identified, but we are already in March, and we are still notifying and writing final contracts. If I understood correctly, the date cannot be identified as a date in January.

[*Translation*]

Mr. Matte: Mr. Speaker, I have a supplementary question.

Could the minister explain how come high officials of his department say that there are no funds available since January 5?

Mr. Speaker: That question has already been asked many times—

[*English*]

If the minister can reply briefly, he will be allowed to do so.

Mr. O'Connell: Mr. Speaker, I will inquire into the question again in a more precise way and let the hon. member know the answer.

* * *

EXTERNAL AFFAIRS

REQUEST FOR REPRESENTATIONS ON BEHALF OF OPPRESSED UKRAINIANS—EFFECTIVENESS OF CANADIAN ACTION

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, my question is to the Secretary of State for External Affairs and is in reference to a petition recently presented to the minister by the Ukrainian-Canadian Committee alleging widespread arrests of intellectuals in the Ukraine. Can the minister advise whether the government has made or intends making representations to the government of the Soviet Union, or is it considering seeking an investigation by any international body concerned about human rights and fundamental freedoms?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, not only have I received this petition but I received the representatives of the association myself. We had a very long conversation as to what would be the most effective way of attaining the objectives that are in the minds of the association. They have left this matter in my hands for me to consider how we can be most effective on behalf of those who are being oppressed.

Mr. Macquarrie: Am I to take it, then, that the government has not yet found an effective way of dealing with this difficulty?

Mr. Sharp: Mr. Speaker, that is not so. The Canadian government has been more effective in reuniting families on behalf of Jewish people who have been oppressed throughout the world than any other government in the world, and I think the methods we follow are the most effective.

POSSIBLE REPRESENTATIONS TO UNITED NATIONS ON BEHALF OF OPPRESSED UKRAINIANS

Mr. Don Mazankowski (Vegreville): Mr. Speaker, may I direct a supplementary question to the Secretary of State for External Affairs. Inasmuch as the representatives of the Ukrainian-Canadian Committee urged the government to make representations to the United Nations, has the government undertaken such action? If not, does it intend to make representations to that international body?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, that matter is under consideration. As I say, I think what is important is helping people, not giving ourselves the satisfaction of having made protests in particular ways but selecting the means that are likely to be the most effective. As I say, we are now beginning to see some of the results of the very persistent and quiet diplomatic means we have used, and I think we should continue them.

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HEALTH

FAMILY PLANNING—POSSIBLE CONSULTATION WITH PROVINCIAL OFFICIALS

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, my question is for the Minister of National Health and Welfare. In view of the estimate yesterday of the president of the Family Planning Federation of Canada that one child in every five or six results from an unwanted pregnancy and because of the strong opinion expressed at the Family Planning Conference that the major roadblocks in family planning are now at provincial and local levels, will the minister seek an early meeting with provincial ministers to launch a co-ordinated program of family planning at all levels?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, as the hon. member may be aware, there is a cost-sharing arrangement under the Canada Assistance Plan for family planning services and counselling. We have ongoing discussions with the provinces almost daily with respect to programs under CAP. Certainly, these include family planning.

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TRADE

UNITED STATES DISC PROGRAM—EFFECT ON CHEMICAL INDUSTRY— GOVERNMENT POLICY

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, may I direct a question to the Minister of Industry, Trade and Commerce. Inasmuch as the representations of the Canadian chemical industry further emphasize the danger to our domestic industries resulting from the enactment of the United States DISC program, can the minister now announce whether the government has a policy based on studies of the results of the DISC program or is it willing to implement some of the recommendations made by the Canadian chemical industry?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, that study, which was very thorough and took some time, has come to a number of conclusions, one of them being that it would be essential, if plants established in Canada are to be viable, for them to have greater access to international markets and to the United States market in particular. This is not a reality at

the moment. We are making efforts to try to bring this about. The results of the inquiry have been communicated to the industry.

• (1510)

POSSIBLE SALE OR RENTAL OF MINI-TYPE SUBMARINE TO SOVIET UNION— SECURITY CLEARANCE

Mr. J. M. Forrestall (Dartmouth-Halifax East): My question is for the Minister of Industry, Trade and Commerce. Can the minister advise the House whether the interdepartmental committee that, to the best of my information, went to the United States this week to renegotiate the terms under which Canada might be able to sell or lease the Pisces to the Soviet Union met with any success or whether the further application by his department was turned down by the Americans?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I have not yet received a report of the meeting which I understand took place yesterday. The purpose of the meeting was to determine whether some of the instruments in the said submersible that are produced in the United States would obtain an export permit. It is quite normal to consult with the Americans in order to determine if a permit will be allowed in order to decide how the Pisces IV will be used for research purposes.

[*Later:*]

Mr. Speaker: I apologize to the hon. member for Dartmouth-Halifax East. He had a supplementary which he might be allowed to ask now.

Mr. Forrestall: I have a short supplementary to the Minister of Industry, Trade and Commerce. I ask the minister whether I can draw the inference from what he has said that there is no longer a question of security or of keeping secure certain information or other aspects of this deep-water submersible? Is that now no longer a consideration?

Mr. Pepin: Mr. Speaker, the answer might be along the following lines. We are very interested in co-operating in research in oceanography with other countries of the world. In order to do so, and use that particular ship, we have to develop a procedure by which this ship can be used jointly by Canadian and foreign authorities. In order to do that, we have to make sure there is no impediment to the use of the instruments on the said submersible and, in order to do that, we must have approval from the United States to import them into Canada.

Mr. Speaker: Order, please.

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CANADIAN BROADCASTING CORPORATION

DISPUTE WITH NABET—REQUEST THAT CBC ENGAGE IN MEANINGFUL NEGOTIATIONS

Mr. Mark Rose (Fraser Valley West): My question is directed to the Secretary of State. It concerns the strike or lockout of NABET and the problems between NABET and the CBC. Yesterday in Montreal there was a lockout that involved 700 people in television and radio. Does the minister intend to use his good offices to persuade the CBC to participate in more meaningful negotiations with the union?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I follow the events very closely and I ask for reports from the CBC. But my way of thinking differs from that of the hon. member. I think the CBC management are not solely responsible if no significant negotiations have as yet been undertaken.

[*English*]

DISPUTE WITH NABET—INQUIRY AS TO COST TO CANADIANS

Mr. Mark Rose (Fraser Valley West): A supplementary question. As a result of his investigations, is the minister yet in a position to say how much this labour difficulty between the CBC and NABET has cost the people of Canada to date?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am not aware of the exact figures, Mr. Speaker, but I might be able to get them.

* * *

[*English*]

AGRICULTURE

INQUIRY AS TO OWNERSHIP OF ANIMALS HELD AT QUARANTINE STATIONS

Mr. Cliff Downey (Battle River): My question is to the Minister of Agriculture. It concerns cattle coming into Canada under authorization of the health of animals branch of the Department of Agriculture. I ask the minister whether at the time of entry into the quarantine stations in the gulf islands all animals have been held under permit by some Canadian individual or corporation?

Hon. H. A. Olson (Minister of Agriculture): I am sorry, Mr. Speaker. I did not hear the first part of the question.

Mr. Downey: I apologize for disturbing the minister. With reference to animals coming into the quarantine stations in the gulf islands under the authorization of the health of animals branch, at the time of entry into the quarantine stations have all animals been held under permit by some Canadian individual or corporation?

Mr. Olson: Yes, Mr. Speaker, except for the very few brought in by the Canadian Department of Agriculture.

Mr. Downey: A supplementary question.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Battle River on a supplementary question and then the hon. member for Marquette. We will then have reached or gone beyond the time reserved for the question period.

Mr. Downey: I am sure the minister has answered my question accurately within the scope of the knowledge of

his department. However, will the minister look into reports that there are individuals within the health of animals branch who have made telephone calls to individuals in western Canada asking them to take permits or pay for animals presently in quarantine on the gulf islands? I ask the minister to report on this.

Mr. Olson: I can look into this, Mr. Speaker, but I do not know of any such telephone calls. If these animals have already arrived at the quarantine stations, particularly on the gulf islands, I would be very surprised if there is anything in what the hon. member says because the animals have already been assigned.

Mr. Speaker: Order, please. As I indicated a moment ago, the Chair recognized the hon. member for Battle River and the hon. member for Marquette for the last question.

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GRAIN

TAKEOVER OF FEDERAL GRAIN COMPANY ELEVATORS BY POOLS—EFFECT ON FARMERS' FREEDOM OF CHOICE IN DELIVERY

Mr. Craig Stewart (Marquette): My question is to the Minister of Consumer and Corporate Affairs. It arises out of the proposed takeover by the pools elevators of the Federal Grain Company. As this means one organization will control 65 per cent of all elevators in western Canada, it could infringe on the farmers' freedom of choice in delivering their grain. Is the government investigating this takeover and have any complaints been lodged with his department?

Hon. Robert K. Andras (Minister of Consumer and Corporate Affairs): Mr. Speaker, I appreciate the hon. member bringing this to my attention. I will certainly take the question as notice and give him an answer as quickly as possible.

Mr. Speaker: Orders of the day.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baldwin: Mr. Speaker, I rise on the usual Thursday point of order. I wish to ask the government House leader about the business for the rest of this week and next.

Mr. MacEachen: Mr. Speaker, we will continue with the listing I believe I gave last Wednesday. In addition to that information, I would like to mention to the House that I hope to call two opposition days next week, namely Tuesday and Friday. I believe there are seven opposition days before the twenty-sixth of March. Therefore we will have to get two in next week. This is what I have in mind, Mr. Speaker. If there is a desire to have further consultation on that, I will be glad to have it.

Mr. Baldwin: A supplementary question with regard to the business of the House. The government House leader will recall that I asked him if he knew anything about the date of the budget. Now that the Prime Minister (Mr. Trudeau) has returned from Toronto, is the government House leader in a position to advise whether affairs have now been set in motion so that we will have a budget before Easter?

Mr. MacEachen: Mr. Speaker, I asked the same question myself. I was given the same answer, that it would be taken as notice.

Mr. McGrath: I rise on the same point of order. I am prompted to do so because of Your Honour's ruling yesterday on my question of privilege, and also because of our inability to obtain accurate information in the House from the Minister of Regional Economic Expansion.

Some hon. Members: Oh, oh!

Mr. McGrath: May I ask the government House leader when he will arrange for an organizational meeting of the Standing Committee on Regional Development so that we can get the minister's estimates before the committee and subject him to the kind of cross-examination that will bring out accurate information?

Mr. MacEachen: We can have the organizational meeting for that committee at once, Mr. Speaker.

Mr. Alexander: Mr. Speaker, my point of order arises from the position in which I and other members of the House find themselves as a result of the Minister of Transport (Mr. Jamieson) coming into the House and making a two-phase statement of some five to seven minutes in length, and then immediately vacating the premises.

Some hon. Members: Hear, hear!

Mr. Alexander: In view of the type of statement made this afternoon and the magnitude of the project, surely it should be the practice for this and other ministers, after making such a statement, to remain in the House in order that pointed and important questions can be directed to them. Only in this way can we be satisfied as to—

Some hon. Members: Oh, oh!

Mr. Alexander: I want to bring this point home because what the minister did this afternoon was obviously an affront to the dignity of opposition members, and perhaps members opposite who have been repeatedly asking questions. I hope the government will appreciate the seriousness of what has occurred here this afternoon.

Mr. Speaker: Orders of the day.

• (1520)

[*Translation*]

GOVERNMENT ORDERS

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS ACT, 1972

AUTHORIZATION OF FISCAL PAYMENTS TO AND TAX COLLECTION AGREEMENTS WITH PROVINCES

The House resumed, from Wednesday, March 1, consideration of the motion of Mr. Turner (Ottawa-Carleton), that Bill C-8, to authorize the making of certain fiscal payments to provinces, to authorize the entry into tax collection agreements with provinces, and to amend the Established Programs (Interim Arrangements) Act, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Speaker: Order, please. The hon. member for Roberval.

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I was waiting for some order to be restored in the House. Indeed, many members were speaking louder than me.

I am pleased to comment on this bill before its reference to the Standing Committee on Finance, Trade and Economic Affairs.

I listened very attentively to the introduction of Bill C-8 by the new Minister of Finance (Mr. Turner) whom I congratulate for his courage in accepting to be the new scapegoat for that much criticized department. I always greatly admired the minister and I do not blame him at all for he is not responsible for the drafting of this bill since he did not hold that office when this bill was hatched by the technocrats.

I was nevertheless a bit surprised at his self-confidence when he spoke of co-operating with the provinces when we know that most of them are complaining about lack of consultation with the central government. Indeed, in all its relations with the provinces, especially with Quebec, this government reminds me of a steam-roller madly crushing everything that stand in its way without giving it a single thought.

Freedom of choice, acquired rights, autonomy, all that is futile to the government when they plan their federalist action. Their slogan consists in providing for ever greater centralization, even at the cost of making the provinces second rate governments.

I am sure that the minister who knows me as a sincere autonomist wishing to live in a confederation did not expect me to applaud his "supercentralization" of powers no more than I would agree to the views of the NDP about state control.

Therefore, I will speak today as a Quebec federal member. I still believe in the reviving of the true federation we had before 1942. I would like the hon. minister to believe that 90 per cent of Quebecers are still hoping that the federal government will come to its senses and will some day be honest enough to return what it borrowed during the last war, namely the tax fields belonging to Quebec and recognized in the British North America Act because, in my region, we have a principle which we

respect above all—give back undamaged to its owner whatever we have borrowed.

Yesterday, I heard a good one when the minister stated that the federal government and the provinces had equal rights of taxation and I think it is by virtue of such rights that the federal government so easily takes the provinces' place and tells them later: Now we have what we want; if you do not like it, there is always double taxation.

I understood then that the word equality for this government means: Move aside I will take your place. This is what I remember from the statement of the Minister of Finance.

As far as the Secretary of State (Mr. Pelletier) goes, he came and told us that he crept into the field of education via post-secondary education and that he is there to stay. To gild the pill, he told us that it is only for two years but we know quite well that it will be for two years and then another two years and finally permanently as was done in all other fields.

I think it is high time this government examined its conscience—if it still has one—before things get worse in the province of Quebec because the population is not the only one crying for help. As a matter of fact, Quebec ministers one after the other have protested against federal interference in the affairs of their departments. Because they were Quebec liberals they thought they could stop this massive intrusion but there is no way.

Under the cover of a good samaritan, Bill C-8 calls for the concession of exclusive rights to the federal government for a period of five years.

It is always the same stratagem of soft talk we have had from this government to hide its true intentions of centralization. Let us suppose that under Bill C-8 the government is asking this House for permission to make certain donations to the provinces. This reminds me of a sated ogre throwing crumbs to the beggars. How this all seems to reflect generosity, kindness, co-operation. How the minister must have congratulated his officials for coming up with such a sentimental style.

As to that permission, the present totalitarian government need not even ask. It has it forever. But read the terms of this little donation so humbly presented and you will see that the title of the bill which is as follows speaks for itself:

An Act to authorize the making of certain fiscal payments to provinces, to authorize the entry into tax collection agreements with provinces, and to amend the Established Programs (Interim Arrangements) Act.

This bill, then, features three main aspects. First, a permission is humbly requested; then the levying of a tax is proposed and lastly, we are informed that this tax will be increased. Mr. Speaker, the cat is out of the bag and we know what the government is after: taxes, taxes, always more taxes.

All this on the other hand is a consequence of a far more subtle and older fraud which was designed to take from the provinces the three main fields of taxation, which were the only guarantee of their autonomy, their basic taxes, as we say in Quebec.

To this end, what pretext did the central government use to have the provinces swallow the pill once more? War. Not war in Canada, not even in North America, but

war in Germany, in Italy and Japan. To be honest, I thought perhaps I should quote passages from this agreement that was passed on May 13, 1942. I would like to quote this, above all to inform the people because I know that most hon. members will not even read that speech. I quote:

• (1530)

An Act respecting an agreement between the Dominion and the Province for the suspension of certain taxes in war time

[*Asserted to, the 13th of May, 1942*]

WHEREAS the British North America Act authorizes the Parliament of Canada to impose any kind of taxation and the Provincial Legislatures to impose direct taxation;

Whereas in order to enable Canada to put forth, in the prosecution of this war, a maximum effort, it is necessary that the Parliament of Canada should alone exercise the power of direct taxation upon incomes and upon corporations;

Whereas the Government of Canada is willing to allow the Province an adequate compensation if, for the duration of the war, the latter undertakes not to levy such taxes;

Whereas the Dominion Government acknowledges that the Province, in making this undertaking, neither abandons nor cedes any portion of its authority, nor any of its constitutional rights, powers and privileges;

This text is very important, since Ottawa recognizes that the provinces have the right to levy direct taxes. For the duration of the war, Ottawa requested the sole right to levy direct taxes which had been exercised exclusively by the provinces. I did say, for the duration of the war, and if the provinces do not levy direct taxes during the war, Ottawa undertakes to pay them an adequate compensation.

At last, it recognizes, as in the preamble of the last paragraph but one, that the province which signs this agreement, "neither abandons nor cedes ... any of its constitutional rights, powers and privileges".

In theory, the province of Quebec has only temporarily loaned its privileges, but in practice, the federal government still has the upper hand on taxation.

The war ended 30 years ago; however, the provinces are still fighting the federal government to regain their rights. Why is the federal government so jealously and so stubbornly keeping what the province loaned in good faith? This is what 90 percent of the Quebec people are asking themselves without ever finding a sound answer.

Does the federal government hold that it is the sole authority able to equitably distribute the proceeds of taxation? To efficiently overcome regional inequalities? What is it doing in the fields of health, social welfare, education, roads, agriculture, post-secondary education, and in all the other sectors under the exclusive jurisdiction of the provinces where it sneaked in through shared-cost programs?

I might be told that it had to look after other problems such as old age pensions and family allowances because the provinces were not tackling them. But were there reasons preventing the provinces from being active in social fields? In fact, Ottawa was still collecting all the taxes without ever reimbursing the provinces, except with crumbs.

This is why the province of Quebec had to levy a second tax, considering Ottawa's constant refusal. And we of the province of Quebec know what such obstinacy on the part of the federal government entails, that is two collecting agencies and duplication of all departments to boot. As a result we now have twice as many bureaucrats and technocrats. We are paying three times as much, yet we get only mediocre service.

The Prime Minister (Mr. Trudeau) himself said so: When Ottawa returns $2 to the provinces, that means it has pulled $5 out of the taxpayers' pockets.

We now have in Ottawa the most chaotic administration ever to exist since confederation, to the extent that nobody knows the limits of its rights or duties. The situation is worse than the Tower of Babel confusion.

The administrators, whether provincial or federal, do not speak the same language, for they are only technocrats transmitting orders received from financiers. And all that while the elected representatives, allegedly responsible to the people, are no longer responsible for anything. We have evidence of that every day during the oral question period when a minister confesses his inability, with respect to such or such section of his department, to alter the course steered by the civil servants.

We are today living on the wrong side of confederation. And as long as we do not revert to sources, we shall continue to flounder pitifully in the worst disorder.

We are living under a federative dictatorship, if I may use that word to describe a central power which imposes its own will to the provinces without ever consulting them. Proliferation of such laws is our most vicious attack on the provinces' sovereignty. And a province will be autonomous to the extent that it can look after itself and assume its responsibilities.

Now, all these bills result in making the provinces increasingly dependent on the central power. And that is what the province of Quebec—and British Columbia, for that matter—rejects ever more strongly while each day Ottawa tightens its grasp.

Perhaps the minister will retort that under Bill C-8 he is offering the provinces some means to free themselves. But the provinces no longer will agree to being offered only that allegedly magic means: they simply want to take it into their own hands, with all the responsibilities and rights that it implies.

That is why I say to the government that it is time to reverse steam before it is too late. Let us show no hesitation to resume our dialogue with the provinces, for Canada will become united only when it comes back to the true meaning of confederation.

Mr. Speaker, it will perhaps be said that I impute all the wrongs to the federal government, but that is not the case, for I think that the provinces, and particularly the province of Quebec, bear a heavy load. Indeed, when I read again the 1942 agreement, I realize once more that all the Quebec governments which have been in office from 1942 to 1972 have been despicable, hypocritical or traitors to their province.

I will quote certain documents and let Quebecers draw their own conclusions, for let us not forget that the agreement is followed by an annex applicable to Quebec. Again, I am eager to read that annex, which is not too lenghty, so that all can be aware of it. Chapter 27 of Bill C-16, assented to on May 13, 1942, reads in part as follows:

• (1540)

ANNEX

Draft of the proposed agreement between the Governments of the Dominion and of the Province of Quebec

—

Memorandum of agreement made this day of 1942.

Between:

The Government of the Dominion of Canada (hereinafter called "The Dominion"), represented herein by the Honourable James Lorimer Ilsley, Minister of Finance, of the First Part

and:

The Government of the Province of Quebec (hereinafter called "The Province"), represented herein by the Honourable James Arthur Mathewson, Provincial Treasurer, of the Second Part.

WHEREAS the Dominion and the Province and certain municipalities in Quebec have been levying taxes upon incomes and upon corporations, and

WHEREAS it is expedient during the continuation of the present war and for a certain re-adjustment period thereafter that the Dominion only should levy such taxes, and

WHEREAS the Province has agreed to suspend temporarily the levying and collection of such taxes, subject to the provisions hereinafter contained, and

WHEREAS the Province shall not, by agreeing, as hereinafter provided, to desist from imposing certain taxes during the term of this agreement, be deemed to have surrendered, abandoned or given over to the Dominion any of the powers, rights, privileges or authority vested in the Province under the provisions of The British North America Act, 1867, or any subsequent Act of the Parliament of the United Kingdom, or to have otherwise impaired any of such powers, rights, privileges or authority, and

WHEREAS the Parliament of Canada has provided funds for the payments which will be due to the Province—

10. The Dominion will pay to the Province in respect of each fiscal year of the Province during the term of the agreement, the sum of $20,586,074.56 computed as set out in Appendix D—

Mr. Speaker, on reading section 23 which deals with the termination of this agreement, one has the surprise of one's life. I quote:

23. (1) This agreement shall continue in force until and terminate on the last day of the fiscal year of the Province ending nearest to the thirty-first day of December in the first calendar year which begins after the date of the cessation of hostilities, complete or substantial, between the Dominion of Canada and Germany, Italy and Japan, unless sooner terminated pursuant to the provisions hereof.

(2) The Dominion shall, exercising its best judgment on all the available facts, fairly determine the date of such cessation of hostilities, complete or substantial, and shall thereupon give notice to the Province, specifying such date so determined, which shall thereafter, for the purposes of this agreement, be deemed to be the date of the cessation of hostilities, complete or substantial, between the Dominion of Canada and Germany, Italy and Japan.

(3) If at any time, no such notice having been given, the Province is of the opinion that the aforesaid hostilities have ceased, completely or substantially, the Province may request the Dominion to call a conference of the Provinces and the Dominion for the purpose of consulting together as to whether the aforesaid hostilities have in fact ceased, completely or substantially and, if so, on what date. Upon receipt of such request, the Dominion will forthwith call such conference and will thereafter give the notice hereinbefore provided for at such time and specifying such date as the Dominion deems proper having regard to the views expressed at the said conference and to the obligation of the Dominion to exercise its best judgment on all the available facts and fairly to determine the date of the cessation of hostilities, complete or substantial.

(5) The Province may terminate this agreement on the thirty-first day of March of any year, if notice of intention to do so is given in writing to the Minister thirty days before such date.

I am also wondering, Mr. Speaker, what kind of jokers we are dealing with. For 30 years, Quebec ministers and premiers have been clamouring right and left: Ottawa should restore our taxation rights and we would be in a position to administer.

Has anyone ever read that section (5)?

According to what I have just quoted, there were three procedures to bring the 1942 agreement to an end. First, the federal government could have declared that the hostilities were over and annulled the agreement, returning to the provinces the three basic taxation fields which it had borrowed. Second, the province of Quebec, through its government, could have asked the federal government to call a conference, in order to cancel the agreement. Third, Quebec alone could have directly annulled the agreement on March 31 of any year by notifying the minister in writing that it intended to take back its taxation rights.

Those are the facts. They can keep on blaming Ottawa for not having stated that the hostilities were over and for having continued to use it in Quebec as a bone of contention, but sincerely, has the provincial government ever asked the federal government to call a conference to bring the agreement to an end? Never. And what is worse still, has Quebec, through its premier or any other of its ministers, ever given Ottawa an official notice that it was putting an end to the agreement, as was its right? What sort of game have all our premiers of all parties, who have succeeded each other for 30 years, played in front of the people of Quebec?

What was done by the technocrats who were then advising governments? I could name some who today are preaching revolution, when they knew very well that there was no need for it, that it was a simple question of sending a letter to Ottawa in order to terminate the 1942 agreement.

What did some former Quebec ministers do when they were in power? Did they lack the courage to tell the people how easy it was to opt out of agreements without resorting to separatism? It was all so easy. Yet no one wanted to stick his neck out. They preferred to clamour against Ottawa, whilst pocketing the millions which went and still go to the provincial treasury. It was so much simpler so. Always the rule of the least effort.

But do Quebecers and their government realize what a quandary they have created for representatives of Quebec in the federal Parliament? Are we to refuse outright the equalization payments and all the money coming to our province under the terms of past agreements? A majority in Parliament would be required, and we do not have it.

The federal government has reneged on its promise, that is a fact. But Quebec has done nothing concrete to protect its autonomy and Quebecers must be made aware of that. Not only has Quebec done nothing, but every five

years the premier of the province comes to Ottawa for in camera meetings with all other provincial premiers of Canada in order to renounce Quebec taxation rights for another five years.

• (1550)

After this treacherous deed, a Quebec premier threw up his arms on television and begged Ottawa to give him back his taxation rights or to stop interfering in Quebec's affairs. Could there ever be a more cynical farce?

Did you know that at these secret meetings that are held every five years, all decisions require unanimous agreement by all premiers?

I should have many other things to tell you, but my time is getting short.

We of the Social Credit party are always in favour of decentralizing taxation powers. But as we must live under this curious system, as the majority in Parliament always decides, we support the statement made in Victoria by Mr. Bennett and published in *Le Devoir* on February 16, 1972. He suggested that it would be more efficient to help citizens individually instead of giving all the money to provincial governments.

We hope that the conclusions of the report by the Senate Committee on Poverty in Canada, which was tabled in late 1971, will be accepted by the government and that they will materialize in 1972, so that we can ensure a guaranteed minimum income to the people of Canada from coast to coast.

• (1550)

[*English*]

Mr. Lloyd Francis (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, I can remember, as I am sure many hon. members of this House do, reading the story of Confederation and the remarks that were made by those who were so far-sighted as to play a leading role in bringing it about. I can remember that one of the Fathers of Confederation from the province of Nova Scotia had this to say to his son, "My son, you have no country, because Mr. Macdonald has sold us to the Canadians for 20 cents a head." Few of us would look on that kind of remark today with any commendation, but the remark in many ways symbolizes the difficulties over the years in working out an equitable and acceptable relationship between the federal authority and the provinces.

The problem lies first in the parochial attitudes in some parts of the country. But it is not fair just to describe these as parochial. They have developed into a theory of the role and the function of provincial authorities within Confederation, and have been compounded by the duality of languages and the plurality of cultures in our society. But in addition, Mr. Speaker, the problem has been compounded by the inability, over the years, to work out a generally acceptable formula which would be recognized by federal and provincial spokesmen in all parts of the country as representing a philosophy on which there would be agreement.

As the Minister of Finance (Mr. Turner), speaking in his place in this House yesterday said, perhaps the greatest and most impressive effort at building a theoretically perfect structure of federal-provincial financial relations was the Rowell-Sirois Commission. In its report, just before the Second World War in 1940, it put forward three basic propositions, as the minister said. The first was that the federal government had an overriding financial role in the pursuit of national growth and stability. The second was that fair standards of public services and taxation in all regions of the country were vital to national unity. And the third was that co-ordination in tax policy between the central government and the provinces was essential in a modern industrial state.

Try as we may, Mr. Speaker, it is difficult to reconcile all of these. In the short period of time in which I have been a member of this House, a period which has been interrupted by decisions of the voters, Mr. Speaker, I have seen a remarkable change in the philosophies of Ministers of Finance. And without any question there will be changes in the future.

The Leader of the Opposition (Mr. Stanfield) said that the bill before us was something of a stand-pat arrangement, and in many ways I would have to admit that this is true. But what is abundantly clear is that there are no concrete alternatives being put before the House in terms either of direction or policy, and that in effect spokesmen for the opposition parties have endorsed the measure simply by their lack of offering alternatives.

The basic fact of our modern society is the desire for a wide range of services, educational, health, welfare and social security, which are costly and which have to be provided as an essential instrument of national unity. The chief spokesman for the NDP, the hon. member for Waterloo (Mr. Saltsman), had at least a bit of consistency in the way he was able to approach the argument. I might say that this consistency was probably due to a matter of detachment because it is not likely that he and his party will ever have the responsibility of implementing the policy he advocated.

In his detached and more logical approach to the matter, he indicated that the thrust of the central government was highly desirable. He supported the federal-provincial shared-cost programs in medicare and hospital insurance. He indicated that these programs represented a means of achieving national standards which we all recognize are desirable. He pointed out that the development of alternative measures of fiscal policy under previous governments, by which percentage points were given to provinces in return for their accepting the contributions which had been worked out in the original legislation, was something which he regretted. He went on to say that the problem of the development of uniform standards had to be faced. If necessary, he said, he would support measures by the federal government to operate directly such programs in the provinces where there was a threat, because of lack of fiscal resources in such areas, that the programs operated by them would fall below desirable standards.

This is a counsel of perfection, that the federal government should do all these things. But the fact of the matter is that there are strongly held constitutional views in many of the provinces of Canada, and not just restricted to the province of Quebec. The fact is that in many of these areas there is a firm conviction in the minds of those responsible for provincial administration that they can do

the job better than the federal authority, that they understand the local conditions better than the central authority in Ottawa, and they are prepared to make the most vigorous fight for their own autonomy in these matters.

The hon. member for Waterloo, for whom I have the greatest respect and affection, says that if necessary we can find a way around the constitution. There are many people who have tried to find a way even to amend the constitution itself which may have seemed a relatively simple thing, but so far the difficulties have not been overcome.

There is no simple way in which we can grapple with this problem of uniform standards across Canada by the federal authority moving into certain areas and operating its own programs. This difficulty was faced in a much more oblique way by the Leader of the Opposition when he spoke in this chamber yesterday. He has been a premier of a have-not province. He recognizes that the need for equalization payments in the fiscal arrangements is absolutely essential to Nova Scotia, among others. Indeed over a third of the provincial revenues of that province come from equalization payments, which are the heart of the bill before us.

If we cannot provide the means for the broad range of services, the infrastructures, the social facilities that are provided through shared cost arrangements, if we cannot provide them through federally operated programs, then the only means by which this can be done is through the device of equalization. Equalization, at a cost of something like $1 billion is, as I said, an essential and key part of the measure before us. Indeed, it is expected that the equalization amount in future years will rise to $1½ billion, so if we are to deal with this through the means of equalization then we cannot make further concessions in the tax points without destroying the tax system itself.

• (1600)

The Conservative party has considerable strength in the province of Ontario and its Premier is a vigorous opponent of this. Oh yes, he pays certain lip service to equalization but his provincial treasurer makes the most vigorous case for increased tax room, for increased assignment of federal taxing authority, for turning over the results of tax levied at the federal level. The leader of the Opposition said it was too bad we did not take account of that great study which was undertaken about 1967 and which indicated that provincial and municipal expenditures would rise and the federal government would have a surplus in the years ahead. He did not say what should be done about it because the simple fact is that there is no further elbow room that can be given by the federal authority, in its income tax, to the provinces.

In a previous House I had the opportunity of listening to the predecessor of the present Minister of Finance announce that 75 per cent of succession duties would be given to the provinces. At that time I made a mental note that before succession duties were changed there would have to be a federal-provincial conference. Three out of four dollars collected were not going to federal coffers but to provincial coffers. I wondered how long a federal government would stay in the succession duty field under that system. I was very pleased to see that under the tax reform legislation adopted by this House, arrangements were made which bring a different approach to this problem. We have taxed capital gains on the basis set out by the act and the federal government is withdrawing from the succession duty field.

[Mr. Francis.]

Meanwhile, as part of the transitional arrangements, there is a certain stability of revenues which will go to the provinces due to the fact that the federal government will continue, at the request of the provinces, to collect succession duties until such time as the yield under the capital gains reaches a level of revenue yield which will be satisfactory to them. At least we have come back to a more rational system. The yield on capital gains is part and parcel of the role of income tax. We no longer have the recession on the tax front which threatened to destroy not only the power of the federal government to act in its own fiscal capacity in handling the responsibilities it has, but threatened to erode the heart of equalization itself and the tax structure.

I am pleased and proud to support the measure before us today. It does not break great new ground, but it gives certain assurances to the provinces that their revenues will be maintained. The Leader of the Opposition said that all of these should have been co-ordinated, the tax reform measure and fiscal agreements with the provinces, and that we have given the provinces an excuse to delay for another ten years. Goodness knows, however, we had enough difficulty trying to put through the measures which have been enacted. The Leader of the Official Opposition does not offer any alternative. He is caught by the dilemma of his own party with the chief and most vigorous spokesman on the provincial level demanding more and more concessions in tax yield. As a man who knows the problem of the have-not provinces, he knows equalization is the heart of their stability, their borrowing capacity and their ability to maintain social services. He knows there is no alternative but to do what the measure before the House suggests. He, therefore, condemns the government for not having undertaken new studies and not having made certain predictions, knowing full well that there are no alternatives before this House but to adopt the measures proposed in the name of the Minister of Finance.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, in speaking on this bill, C-8, I should like to point out that it really does not change anything, that it has merely patched up what has been in effect for the past five years. It will not make much, if any, improvement in fiscal relations between the provincial and federal governments, something which I think will have to be looked at before too long. Even five years ago there was general agreement that these relations should be over-hauled.

It is too bad that at the constitutional conference in Victoria greater results were not achieved in the field of fiscal matters. I think it was at this conference that the Prime Minister (Mr. Trudeau) hoped to bring a new constitution to Canada but he seems not to understand that the main stumbling block to constitution change lies in the fiscal field. The growth of health, welfare and education expenditures by the provinces has tipped the British North America Act out of balance and a fresh approach to the fiscal problems is required.

It is interesting to note what the Prime Minister had to say in answer to a question I put to him on June 4, 1971, as recorded in *Hansard*, at page 6366. I asked what the Prime Minister intended to do:

—In consideration of the statement made yesterday by Prime Minister Davis of Ontario that he intends to bring forcefully to the attention of the federal government at the Victoria constitutional conference his province's concern over federal policies which create economic hardship,—

RIGHT HON. P. E. TRUDEAU (PRIME MINISTER): No, Mr. Speaker, I must confess I am not aware of what Mr. Davis had in mind. The House will recall that he requested some time ago that an additional day be added to the constitutional conference to discuss economic matters. However, since the federal budget and tax reform will be brought down after the conference, it is my understanding that he has now suggested that this additional day be not added to the conference and that economic matters, particularly those relating to the budget, be discussed some time later,—

As was noted by the hon. member who just resumed his seat, I think this was an Ontario point of view. In a supplementary question I said:

Mr. Castonguay has suggested that Ottawa's policies are the cause of Quebec's poverty, has that province indicated to the Prime Minister the areas of economic policy which it wishes to be discussed at Victoria?

MR. TRUDEAU: No, Mr. Speaker. That seems like a very general statement, such as the opposition often makes.

I think the right hon. Prime Minister missed the point at the conference, that fiscal arrangements between the provinces are one of the most important features of Canadian economic life.

The Speech from the Throne in the Ontario legislature contained the suggestion that Ontario would be pressing for greater federal-provincial accord and there was an offer to host a meeting of leaders of the federal, provincial and municipal jurisdictions. There was a suggestion in the Speech that Ontario was eager to achieve progress in such mixed jurisdictional fields as tax-sharing, constitutional reform and shared-cost reform. The province of Ontario has indicated its interest in these matters and finds them of great importance, as has the province of Quebec, a have-not province which pays less into the federal treasury than it receives and it feels that certain arrangements should be changed.

The province of British Columbia has objected strenuously to some features of federal-provincial relations referred to yesterday by the Minister of Finance (Mr. Turner). Their argument against equalization payments is that the eastern provinces, particularly rich Ontario, has never taxed the resource industries as heavily as would be dictated by their stake in them, although the western provinces have done so. It was suggested that it was unfair to expect them to provide all these services to provinces which have neglected to take steps in that direction themselves. I think the views of the British Columbia and Alberta governments, as aired, should be explored and discussed.

• (1610)

Then, Mr. Speaker, we come to the statement of the Attorney General of British Columbia, Mr. Leslie Peterson, who presented another view on equalization payments. He suggested that the payment of $5500 million since 1957 by the provinces may, in large part, have been channelled into the expenses of government rather than being directed to those who would be directly affected. In any case, I think it can be shown that there is, on the part of all provinces, a valid reason for doubting the effectiveness of the present arrangement. They want to come to grips with the problem and see if something further could not be done.

It is obvious, Mr. Speaker, that the fiscal needs of provincial and municipal levels of government are rising rapidly due to the concentration of their responsibilities in the health, education and welfare fields. There is not in the new bill and there was not in the old, any attempt to measure the levels of expenditure required to attain acceptable levels of public services across Canada. I hope a little later to discuss in more detail problems associated with determining acceptable levels of expenditure in the fields of hospital and medicare services. Mr. Speaker, differences in the costs of providing adequate services and the level of service attained cannot satisfactorily be measured by differences in revenue alone, as Bill C-8 attempts. That is what the minister's predecessor also attempted.

There has been a dramatic rise in expenditures on education, welfare, transport and health. When the present Secretary of State for External Affairs (Mr. Sharp) was minister of finance, he made a statement at one time to the federal-provincial tax structure committee. Later, he made the same statement in the House of Commons. In it he suggested six main principles that arrangements of the sort I have talked about should heed. First, the fiscal arrangements should give both the federal and provincial governments access to fiscal resources sufficient to discharge their responsibilities under the constitution. Second, they should provide that each government should be accountable to its own electors for its taxing and spending decisions and should make these decisions with due regard for their effect on other governments. Third, the fiscal arrangements should, through a system of equalization grants, enable each province to provide an adequate level of public services without resort to rates of taxation substantially higher than the national average. Fourth, they should give to the federal government sufficient fiscal power to discharge its economic and monetary responsibilities, as well as to pay its bills. The idea there is that the federal government should use its fiscal powers for the benefit of the entire economy. The fifth point was that they should lead to uniform intergovernment arrangements and the uniform application of federal laws in all provinces.

The squeeze on municipal and provincial expenditures is apparent, Mr. Speaker, and it is evident that substantial amounts of net transfers will have to be made to provincial and municipal governments if they are to meet public requirements.

The position of the provinces was summed up by the Premier of Alberta, Hon. Peter Lougheed, who said at the Finance Ministers' Conference in November:

We came to this conference and the preceding Finance Ministers' Conference. ... We were confronted, without adequate advance discussion, with new fiscal arrangements of a five year duration initiated unilaterally by the Federal Government—supported by some provinces and clearly not by others. Yet we are forced to the wall without any adequate forum for discussion, dialogue and exchange of opinion other than the limited time available at this

Conference and, previously, during the Finance Ministers' Meeting.

He went on to say that he thought the timetable for the introduction of these measures was totally inadequate. Actually, the Premier of Alberta asked for consideration to be given to only a one-year extension of the existing fiscal arrangement while the federal government involves itself with the implementation of its tax measures so as to provide reasonable time to debate these issues and evaluate the impact of federal tax measures. This did not occur, Mr. Speaker.

Hon. Darcy McKeough of Ontario suggested, in a brief to that same meeting, that the current state of financial and economic relations between the federal and provincial governments makes it clear that it is time to reconstruct these relations. A very complex system has evolved which is patchy in design, capricious in detail, uncertain in ultimate benefits and unrealistic for the seventies. This system is characterized by a sharing of tax fields which bears no relation to spending responsibilities; supplementary equalization payments with uneven benefits; cost-sharing in major provincial functions involving a great variety of formulae and regulations; a heterogeneous tax structure; large federal programs with strongly regionalized impact and dubious long-run economic benefits; and cumbersome federal loan and grant programs to reduce unemployment.

He went on to say that the federal government had failed to enter into discussions on the tax structure when that tax structure was being developed. Once the tax reform decisions were made, and Bill C-259 of the previous sessions which embodied those decisions had been passed, the federal government ought to have opened up discussion on this problem in an attempt to reach a better agreement so that all parties could have co-operated in reaching a solution.

It has been well recorded, Mr. Speaker, that the heaviest burden regarding major public problems and expenditure priorities lies at the provincial and municipal level, while the federal government has the largest share of available revenues. With increasing urbanization and pollution, the problem of the municipal and provincial governments will be strongly accentuated. One must remember that taxing powers are more heavily weighted in favour of the federal government. We ask, what will this fundamental imbalance do to our federal system? I suggest that it is likely that it will be extremely difficult to contain total tax levels within desirable limits. It is obvious, if one studies tax-sharing principles in this country and the new income tax system, that our system will encourage independent tax action and interprovincial tax differences. Also, it will reduce the provincial share of income and wealth taxation, leave the onus on the provinces to fill an equity gap in wealth taxation and assume primary responsibility to determine the ultimate tax level of resource industries, leave the onus on the fiscally weaker level of government to contain tax levels, and force provinces to increase the income tax after three years to compensate for discontinued revenue guarantees.

I should like to mention something the Minister of Finance referred to, namely, the problem involving health and welfare and the problem of exerting some control in this field with a view to bringing equal levels of benefits to all citizens across Canada. In the health insurance field, the contribution to the provinces under the Hospital Services and Diagnostic Services Act has risen from $734 million, the contribution of 1970-71, to an estimated $950 million for 1972-73. Medicare contributions have risen from $400 million in 1970-71 to $660 million, the current level. The increase has been substantial over two years.

[Mr. Ritchie.]

May I now talk about the serious problem involving cost-sharing arrangements between the federal and provincial governments. The system of cost-sharing is most elaborate. Obviously, the provincial governments have the most pressing and costly responsibilities, while the federal government has a greater revenue generating capacity. It is true that many of the cost-sharing programs were initiated with a view to obtaining national standards of service and portability of benefits. In many cases the provinces were forced into these costly programs at the insistence of the federal government because the federal government chose to use its surplus revenue capacity to invent large programs in areas under provincial jurisdiction.

• (1620)

An analysis of shared-cost programs certainly indicates they are very difficult to control and administer. They are outside the normal process of control at both the federal and provincial levels. There are a great variety of formulae and regulations. The formula for hospitalization insurance, the largest, is the population eligible for hospitalization times 25 per cent of the average national cost per capita, plus 25 per cent of the average provincial cost per capita. That formula alone has a very different impact on the various provinces.

In many cases the federal government is now attempting to get out of these shared-cost programs which are forced on the provinces or at least limit its commitments by reducing the established shared-cost formula. According to this communiqué from the federal-provincial conference in Ottawa on November 15 to 17, the federal government advanced proposals which provided for increases in future federal contributions to provincial health programs, tied to the growth of the gross national product supplemented by a special fund of $640 million to be paid to the provinces over a five year period to assist them in improving their system of health care. It was the aim of the federal government that the new proposal would be designed to give more flexibility to the provincial governments in restraining costs and improving the overall effectiveness of the program.

It is noted that the percentage of the gross national product devoted to health care in Canada is the highest in the world. Unless steps are taken to improve the delivery system, the relative share of national care will have to grow even further to the detriment of the capacity of individuals to meet their needs. While I agree we must have some means of controlling health costs within our country, this is not the time for the federal government to throw in the sponge and opt out of the cost-sharing field until suitable alternatives have been found.

What is the problem? The essential problem in hospitalization and medicare is a lack of standards. Probably it is very difficult to arrive at these standards because health care is very desirable. No matter how much money is

spent or how many programs are expanded, there are always programs left over that are considered desirable and will improve health care for the people.

The Minister of National Health and Welfare (Mr. Munro) is now involved in programs, along with the provinces, for community health clinics which it is felt will control doctor inspired excessive health expenditures. To a limited extent, these may solve the problem, as long as it is realized that a specific amount allocated to a particular clinic will be the governing factor as to how much care the particular facility will give to the population. Whether it will be enough or not may not be obvious to the individual receiving the care. In any event, it will be a limiting factor. In effect, it is limitation through the allocation of money.

There is a problem being experienced in the United Kingdom. The bed population varies in different parts of the country from one per 1,000 to five. However, there is no discernible difference between the death or morbidity rate or those needs by which we are to measure health services. We now have to decide how much the governments in Canada wish to spend on health, hospital and medicare programs and proceed from there. I think the Department of National Health and Welfare is now exploring areas which are likely relatively non-productive. There is a need to reorganize some of their thrust. Although we all agree that all citizens in Canada should receive the same level of care, no real standards are laid down as to what is required to attain a reasonable standard of care.

Yesterday the hon. member for Waterloo (Mr. Saltsman) stated that he felt the government should explore certain areas in health care, I presume, as well as taking over completely the shared-cost programs. I do not think this would be good. Health care is personal. It varies in different parts of the country. Health care and welfare should remain under the control of the provincial government. This is a matter to be worked out between the federal and provincial governments. If the wealthy provinces wish to opt out for tax points, surely this can be arranged. However, we must remember that the poorer provinces need to have standards in order to procure for their people some reasonable level of services. There is some disparity in the shared-cost efforts in this field, but it must be realized that there will always be some disparities no matter how much effort is made to preserve equality all across this country.

In the Rowell-Sirois report, it was recommended that there should be an independent commission to look at the problem of the fiscal means of the provinces versus the federal government and periodic reviews and suggestions. It is unfortunate that this committee has never been established.

With Bill C-8, we are destined to have a very serious problem for another five years in relation to the control of health, welfare and education costs. These seem destined to increase because of the formula under which they have been set up. They will grow at an alarming rate and will have to be adequately looked after in the future. After having spent so much time on the tax bill, it is unfortunate that the government did not include some review of the very important problem of fiscal relations between the provinces and the federal government.

Mr. C. Terrence Murphy (Sault Ste. Marie): Mr. Speaker, I enter this debate, not to contribute anything in the line of technicalities, to discuss balancing of budgets or payment of money from one province to another or from the federal government to provincial governments, but to comment on the underlying principles of this legislation, at least principles which I hope underlie it. My intervention probably would not have been necessary if there had not been a certain amount of publicity during the past few weeks which seemed to indicate that at least some people in this country feel they are practising the virtue of charity by participating in the equalization payments. Some who claim to be plugged into God feel they are following the teachings of St. Paul when he said:

> And now abideth faith, hope, charity, these three; but the greatest of these is charity.

To be a virtue, charity must be practised properly, otherwise the virtue becomes a vice, the vice of pride. The same good book that gives us the words of St. Paul about these three virtues also has reference to the story or parable of the Pharisee and the Publican who went up to the temple to pray. The Pharisee patted himself on the back saying, thank God I am not like those others; I don't do this and I don't do that and I tithe three times my salary and so on. And the final story was that the Lord said: He that exalteth himself shall be abased and he that humbleth himself shall be exalted. This is the pride that is a vice.

• (1630)

But there is another kind of pride, a justifiable pride, the pride of a man in his work, the pride he has in his ability to work, the pride a man has in the mere fact that he is a human being. Pride in this sense is justifiable and it engenders in man a capacity to retain his own dignity and to respect that of his fellow men. We must respect this justifiable pride, respect this dignity, respect all these qualities in those we hope to assist, otherwise the virtue we hope we are practising may well turn into a vice. Otherwise, we may well turn in Pharisees, patting ourselves on the back with great self-justification, feeling we are great guys. It is my belief that charity, in the sense I have used the word, does not mean giving; rather, it means loving, or giving because of love. It means a state of mind where one recognizes the need of a fellow man and feels a genuine desire to help that fellow man without self gratification and without desire for reward. It is true this is an idealistic point of view, but in the context in which we are considering this question, the context of equalization payments, there is also a degree of realism.

Under the scheme which is proposed, the "have" provinces are called upon to give, but they will also receive. I can recall a speech made by the former premier of Newfoundland, Mr. Smallwood, at a federal-provincial conference held in the west block in the latter part of 1968 or early in 1969. In the course of his speech he described the situation of a Newfoundlander who, when he rose in the morning, got out of a bed which had been made in Ontario, stepped on to a floor which had been manufactured in British Columbia, walked into the kitchen and sat down at a table manufactured in Quebec, reached for a bowl which had been made in southern Ontario, filled it with cereal from Saskatchewan, covered it with milk from

the Maritimes and began his breakfast in a house heated by oil from Alberta and insured, in case of fire, under a policy originating in Manitoba. So the Newfoundlander, though receiving grants from other provinces under this scheme, is nevertheless the buyer of products from the "have" provinces. This is the whole idea of the scheme.

But, while recognizing the realistic benefits of legislation of this type, I prefer to believe that the whole meaning of the legislation is based on the true meaning of charity, and that is love—love for our fellow man, love for our country. I can think of no sounder ground upon which to build a united Canada.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, in opening the debate when he introduced this bill, the Minister of Finance (Mr. Turner) indicated yesterday that the purpose of the measure was to continue the arrangements which had been in existence for many years between the federal government and the provinces, arrangements under which the federal government pays to the provinces, dependent on various formulas of need, substantial sums of money to help poorer provinces particularly to meet the basic requirements of their people.

No one in this House would question, nor to my knowledge has any political party questioned, the primary objective of this proposal and of similar proposals made in years gone by, particularly since the Rowell-Sirois study completed almost 30 years ago. While we support the basic principle as enunciated in this bill and as explained by the minister, we wish to make it clear that we do not accept the suggestion that we have achieved the kind of equity which is required; neither do we agree that the proposals which have been made in the past year or which are contained in this arrangement are adequate to meet the needs of the Canadian people.

Without putting on record today the actual figures, let me say that I do not believe any hon. member would disagree with the statement that the differences in per capita income between people in provinces such as Newfoundland and provinces such as Ontario or British Columbia are still very large. We therefore support this proposal and other programs which have been evolved by federal governments to aid citizens in the poorer provinces and to bring standards in the fields of health, education and welfare in those provinces to substantially higher levels, to try to bring them somewhere near the standards which have been achieved in provinces such as British Columbia, Alberta and Ontario.

This having been said, we must still face the fact that today the disparities in income between people in provinces such as Newfoundland and Prince Edward Island, as compared with those of people in Ontario and British Columbia, are just as great in relative terms as they were 30 years ago. Of course, the incomes of people living in Newfoundland, Prince Edward Island and New Brunswick have gone up in the last 30 years. Relatively, though, they are still in the same position as they were 30 years ago, and this despite the tax-sharing agreement, despite the valiant if somewhat misguided efforts of the Minister of Regional Economic Expansion (Mr. Marchand), despite the shared-cost programs initiated up to date. For these reasons, I believe we ought to express a good deal less satisfaction with what we have achieved than I detected in

speeches made yesterday by the Minister of Finance and by the Secretary of State (Mr. Pelletier), who dealt with the proposals of the federal government in connection with post-secondary education.

• (1640)

I want to deal specifically with what I consider to be two or three basic, fundamental faults in the proposals that have been made by the federal government to the provinces. For one thing, the federal government made it clear to the provinces that as soon as it can in the very near future, it intends to restrict the amount of annual increase it is prepared to pay toward any shared-cost program with the provinces, particularly in the fields of health and post-secondary education. No citizen of Canada, certainly no member of parliament and, I suggest, member of any provincial legislature in Canada can fail to be disturbed by the very sharp increases, in costs that have been taking place annually in the fields of health, welfare and education. Therefore, it is not surprising that the federal government and provinces are beginning to reassess and re-evaluate programs in the fields of health, welfare and education, particularly post-secondary education.

Most of these programs that are now a fact of life in Canada are in fields in which we have made very spectacular improvements during the last 20 years, programs where the initiative came, quite properly, from the federal government. After all, Mr. Speaker, if any province in Canada has a government-operated universal hospital insurance plan, it was the federal government that first proposed to the province that the plan be initiated and that Ottawa would finance 50 per cent of the cost. Every province of Canada has a medical insurance plan under which virtually every citizen of the country can be assured that the cost of medical care will be met by the government through the raising of taxes of various kinds, such as sales tax or income tax, or some combination of tax and premium, while Ottawa is paying 50 per cent of the total cost. Hardly any province would have gone into such a plan had Ottawa not made it clear that it wanted such a plan and was prepared to meet 50 per cent of the cost. I am sure there is no provincial government in Canada that is not exhibiting marked concern at the sharply escalating cost of medical and hospital care. And so they should, Mr. Speaker. After all, the money to pay for these health care plans comes from the people of Canada in one form or another, be it through taxes or premiums.

Now that Ottawa has persuaded the province to enter into such arrangements with the federal government, the federal government is seriously considering terminating the agreement. It is considering withdrawing from shared-cost programs so that it will no longer have to pay 50 per cent of the cost. For Ottawa to say, as it is making very clear to the provinces, that it is giving serious consideration to limiting the annual increases in costs that it will pay in any one year is, I suggest, a unilateral decision that flies in the face of the principle that was jointly agreed upon by the federal and provincial governments. I agree with the studies that are being conducted by the federal government and the provinces into methods of slowing down the very sharply increasing cost of health and hospital care. The people of this country cannot afford to

continue to pay each year the increase of more than 10 per cent a year in hospital and medical costs. I support the studies that are being made, but, further, I believe that the federal and provincial governments need to look at some possible alternatives.

In my own province a number of alternatives are being explored. The government is looking at methods by which the number of acute care hospital beds can be, if not reduced, at least gradually diminished by offering alternative facilities by way of convalescent hospital beds, and so on. Certainly, I think such facilities are necessary. The provincial government is looking at the possibility of having doctors work in teams at community health clinics and being paid a salary rather than a fee for service. Tests now done either in private clinics or hospitals would be done much more cheaply at community health clinics. In the provinces of Manitoba and British Columbia, the premiers have made it very clear that the virtually unilateral increases in medical fees that doctors have been able to charge must be arrested. In the province of Quebec, the provincial government has put forward proposals in an attempt to try to control the increasing cost of health care. All such attempts should be pursued vigorously.

As I have said, I cannot accept the unilateral decision of the federal government to limit, as far as the federal government is concerned, the cost of health programs to a certain percentage each year. I am not saying that methods to limit these increases should not be found; of course they must be found. But I do reject the idea that, having helped persuade the provinces to enter into these kinds of plans for the benefit of their citizens, Ottawa should now decide either to withdraw completely or to reduce unilaterally the percentage of the cost it has paid up to now.

I do not say this in criticism, but I would remind the members on the government side that provinces like New Brunswick, for example, were somewhat loth to embark upon a universal health insurance plan, not because the province did not want it or because their citizens did not need it, but simply because they were worried about how to finance such a plan. New Brunswick has now—I am speaking from memory but I think I am not far wrong—a 7 per cent sales tax. I suggest to the Minister of Finance that if the federal government is to unilaterally restrict the percentage of the medical insurance contributions which it makes to the province of New Brunswick, that province may in the very near future have to increase its sales tax even more. There is no more regressive type of tax than a sales tax. There is no tax which hits poor people, people with low incomes, harder than a sales tax. Yet, if the federal government goes ahead with its proposal to limit its contribution to health programs, that is probably what a province such as New Brunswick will have to do. As I say, the government of Canada has been trying to get the provinces to agree to its proposal which would severely limit future federal participation in hospital insurance and medicare programs which, as I have already said, were originally established by Ottawa. Not only would the federal government's proposals undercut and erode existing national health standards, but they would also effectively thwart attempts by provincial governments to revise their health service delivery systems so as to introduce more efficient, less costly alternative care methods.

• (1650)

I have indicated some of the attempts which have been made in Manitoba and other provinces to improve health services and at the same time control the cost. The provincial governments have consistently opposed the attempts by the federal government to apply the kind of arbitrary arithmetical ceilings on expenditures in the field of health care, and in other shared-cost programs, on the grounds that the controls which the federal government is proposing fail to provide allowances for provinces with relatively weak fiscal capacities to upgrade their service standards, to narrow the gap between their services and the services provided by wealthier provinces, and to maintain their services at these levels once they have been attained.

The province of Manitoba has objected to the federal government's proposal that it use the growth rate of per capita gross national product with some variations to calculate the amount of increase which Ottawa is prepared to agree to in the field of shared-cost programs. The province of Manitoba has emphasized that the gross national product figures bear no relationship to the health program costs or quality and, more important, no relation to health care needs, and that therefore this kind of calculation simply cannot serve as the basis for determining programming decisions in the years ahead.

The province of Manitoba has outlined the elements which it believes should form the basis of any new financing arrangements. They suggested that the plan should be flexible enough to allow the provinces to move toward more effective alternative delivery systems while maintaining and, where possible, improving the service standards. Second, it is suggested that federal support must be adequate, not only to meet the demands placed on existing services—demands which will continue to be high, especially in any transition period while new programs are being initiated—but also to cover the necessary large costs of effecting a program redirection of the magnitude required to ensure longrun cost de-escalation. Arbitrary limits put on the cost of financing health care programs by the federal government will not put a cap on the increasing cost. What they will do is shift the burden increasingly from the federal government which has the money to the provinces which simply do not have the money required to meet the increasing costs. The province of Manitoba has made it clear, and in this it has been joined by the province of Saskatchewan and other provinces, that it rejects the proposal of the federal government that it set an arbitrary limit on the percentage increase which Ottawa is prepared to pay to meet the cost of health care services.

Lastly, the Manitoba government has insisted that federal support must be allocated in such a way as to recognize the special needs of various regions in Canada as well as the fiscal capacities of the different provincial governments to meet these needs.

Let me just give one illustration of what I mean. The province of Newfoundland is certainly one of the poorest provinces in this country, if not the poorest. Some years ago it established a medical school. For the first time, some of the doctors whom they need in order to try to treat the people who are ill in Newfoundland are being trained in that province. The province is paying a substan-

tial percentage of the cost of building that medical college and of maintaining it. But we live in an open society. A very large percentage of the graduates of that medical college in the province of Newfoundland will leave that province in a short period of time. I am not suggesting that Newfoundland ought to do very much to force those doctors to stay in the province, but I am suggesting that there is something very unfair in the people of Canada expecting the people of Newfoundland, who are amongst the poorest people in the country, to pay for the building of a medical college and for the maintenance of that college, the bulk of the graduates of which will leave that province to practise in the wealthier parts of this country. I say that the federal government should be prepared to take that kind of situation into consideration and to evolve a system flexible enough so that the people and the government of Newfoundland do not suffer because they established a medical college in that province.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order, it is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Lachine (Mr. Rock)—Transport—Omission of Lachine Canal in takeover by Department of Indian Affairs and Northern Development; The hon. member for St. John's East (Mr. McGrath)—Regional Economic Expansion—Request for organizational meeting of Standing Committee; The hon. member for Yorkton-Melville (Mr. Nystrom)—Veterans Affairs—Alleged discrimination by Health club against veteran with wooden leg.

It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions (papers), private bills, public bills. As there are no notices of motions, the House will proceed directly to private bills.

• (1700)

PRIVATE BILLS

UNITED BANK OF CANADA

Mr. Stanley Haidasz (Parkdale) moved that Bill C-164, to incorporate United Bank of Canada, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

He said: Mr. Speaker, this bill is a proposal to create a new bank in Canada. It comes before the House in the standard form of a bill attached as an appendix to the Bank Act. It is sponsored by prominent Canadian citizens who have conceived and taken the initiative in forming a new bank with new ideas to meet the needs of the Canadian people.

[Mr. Orlikow.]

Among the provisional directors of the bank is Mr. Benjamin V. Levinter, Q.C., a Toronto lawyer who is well known in the city of Toronto and who, after listening to a speech delivered by the Hon. Walter Gordon about a year ago, decided that Canada does need another bank. He has gathered together a group of prominent Canadians who include such people as Dr. Gerald Lasalle, of Sherbrooke, Quebec, who is a well known and respected figure in that province. He has been Registrar and a Governor of the College of Physicians and Surgeons of Quebec, and is Dean of the Faculty of Medicine at the University of Sherbrooke.

Another provisional director is Mr. A. J. Pianosi of Sudbury, Ontario, a successful businessman. Then there is Mr. Zenon Gutkowski, a chartered accountant, of Toronto, who has lectured in the accounting courses at Queen's University and at the University of Toronto, and for the past 12 years has been director and treasurer of one of the largest credit unions in Canada, the St. Stanislaus Parish Credit Union. Another provisional director is Mr. Isadore Levinter, a lawyer from Toronto, and a Life Bencher of the Law Society of Upper Canada.

The objectives of the provisional directors are to establish a bank in which Canadians of all ethnic origins will be involved in every facet of its affairs, and a bank which will be particularly aware of and concerned with the needs of people in different groups and different regions of Canada, and also with certain other concepts to which I shall refer later. Apart from these special considerations they also believe that another bank, and particularly one with some different concepts and emphasis, will be of real benefit to the Canadian economy in that it will make available additional money to finance business, provide employment, and increase competition in the banking system of Canada.

I believe that hon. members are already aware of some aspects of the ideas of the provisional directors of the proposed bank. This bill was debated in the Senate in June, 1971, studied by the Senate Standing Committee on Banking, Trade and Commerce in September and October, 1971, and passed and given third reading in the Senate last fall.

Information which hon. members may be seeking can be found in the record of the proceedings of the Senate. I believe those proceedings give a good idea of what this bank is all about. They contain an outline, and in fact a good deal of detail concerning the proposed bank, and I do not wish to take up the time of the House at present by going into all the detail. However, there are a number of things about the proposal to establish this new bank which should commend it to all Canadians and to the members of this House.

This new bank will seek the involvement of Canadians of many ethnic origins, including French Canadians and Anglo Saxons, in every facet of its affairs; its board of directors, its management and employees at all levels, and with the special concerns which many of our people have by reason of language or other distinctions. It will also allow a degree of regional control to those responsible for the operation of its branches in the five regions of Canada, which will result in many, if not all of the advantages of a regional bank in a particular region.

There is no financial group promoting this bank with the intention of having financial control of it through their stock holdings. The provisional directors are in fact the actual promoters, and the plan to be followed in raising the bank's capital will ensure that there will be no in group with such financial control. Further, the provisional directors have engaged the services of a firm of financial consultants in Montreal, Chartec Limited, for the purposes of making a survey of the market and giving an opinion and report as to the feasibility of obtaining the required money through a public issue in Canada, with the stock being sold by many brokers all over Canada and being distributed as widely as possible. As appears from Chartec's report and the evidence which they gave before the Senate Committee last autumn, an assurance has been given that a sum which is adequate, namely, $20 million, can be raised in this way.

The chartering of a new bank at this time will make available additional money and financial assistance to assist business and increase employment. The chartering of a new bank at this time will also provide fresh, vigorous competition in a most vital area of our economic life in which, because of mergers and other reasons, the general trend in recent years has been very much in the other direction.

Each of the provisional directors comes from outside the normal banking establishment. The new bank will unite Canadians of all backgrounds in a concept which will be Canadian all the way. In conclusion, Mr. Speaker, I would like to say that I believe there are many things about its concepts and plans which should commend this proposed bank to all Canadians and to the members of this House.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I have listened with a great deal of interest to the remarks of the hon. member for Parkdale (Mr. Haidasz) concerning the necessity and desirability of having an additional bank, particularly one based on regional criteria. For many years I have been of the opinion that we should nationalize the banking institutions. When you have a good proposition and go to a bank manager he is apt to allow you to borrow money. If you have a proposition that is not so good, it is not likely that you will be able to borrow money from any bank. If you have a really poor proposition even a bank manager will tell you that you had better go to a finance company. If you do that, and the finance company agrees to make a loan, it in turn will borrow the money from a bank because finance companies in general are able to get their pound of flesh even if things go wrong.

• (1710)

It seems to me, and I may be wrong, Mr. Speaker, that there is absolutely no competition in the banking field. Recently three banks applied to Parliament for charters and in each case the reason given was that a regional area was not properly served. Two banks were given charters but one was not able to raise the money, for reasons that I shall not go into now. The other is operating, I presume successfully, in British Columbia. I suppose whether Mr. Bennett keeps his money in that bank is a political question, and whether a province should have some say in the operation of the banking institution is also open to argument.

Every time I pick up a newspaper and learn that the bank rate of, say, the Bank of Montreal has increased by a quarter of one per cent, I can be sure that by the next day the other banks will have raised their rates. This happens all the way up to 10 per cent. Banking institutions in Canada would find it difficult to say that they are meeting the needs of the public. They are no more justified in charging 10 or 11 per cent than they would be justified in lending at 2 per cent or 3 per cent if there were no takers, as is sometimes the case today. Some banks are making telephone calls to customers asking them to borrow money because they have more than they are lending.

As was indicated by the hon. member for Parkdale (Mr. Haidasz), the Senate probably operates in a more businesslike manner than we do in this field and there is a good reason for that. Very few Senators have not been given a directorship in some company and many are on the boards of two or three banks. I believe the chairman of the Standing Senate Committee on Banking, Trade and Commerce is a director of a very influential company in the Canadian banking field. The committee hired Chartec Limited of Montreal to find out whether ownership of this bank was to be in the hands of as many Canadians as possible. The bank was to have an initial capitalization of $20 million and the provisional directors were in no way to control the bank financially. The firm of Chartec Limited and its members were to have no financial interest in the actual sale of the shares.

This company interviewed 71 people in Toronto representing 28 investment firms and 18 institutions. Their comments were summarized in the proceedings of that committee, No. 37, at pages 7 and 8 as follows:

One, investor interest in Canadian chartered bank shares in general is high, in view of the high return on capital investment. Investor interest in the United Bank, solely on the grounds of the provisional board's responsible and deliberate actions to date, has given the impression that the investor believes that the basic policies of the bank will ensure a profitable operation.

Two, one crucial factor in investor interest has been the desire expressed by the provisional board that no one group, or small combinations, will control this particular bank—

Three, institutional investors, brokers and dealers are particularly conscious of the role that they can play in realizing what so many Canadians want at this point in our history, that is, a broader genesis and control of emerging Canadian industry. With their leadership, a public issue will be successful.

Four, the deliberate attempt by the founders to involve a group of Canadians from all walks of life, to ensure the bank's particular responsiveness to the changing Canada of the seventies was fully endorsed.

Finally, the regional concept of the bank found great acceptance.

Mr. Speaker, I have an inkling, and it is just that and not backed by any solid information, that this bank will probably end up as a depository for moneys being made in Canada by the Mafia, not only from legitimate business but in investments from other areas as well. It is well known that the building trades are very interested in becoming involved in this bank. We are aware that building contractors make arrangements not only with their employees and allied trades but with banking institutions. Because there is so much construction going on in the city of Toronto, this appears to me to be a lucrative way of not only obtaining capital for the contracts, but also of being a very good place to put legitimate money and money

which might not be so legitimate. I have no way of knowing that this is so, except from comments that I have heard. I have no means of investigating this institution to find out whether it is so, but I am of the opinion that the CIA would be interested. I am sure that the members of this House would also be interested and that this bank would get a short shrift indeed if this were the case.

Mr. Speaker, it seems to me that a bank is a place where a person who wants to do something constructive can go and borrow large sums of money. About a week ago I commented to an entrepreneur in my area that if all this money being provided to the Lift program, the winter works program and the Opportunities for Youth program were given to the area as a cash donation, we could start a fairly good sized industry which would employ people for long periods of time. The winter works program in Timiskaming is worth approximately half a million dollars, and he told me that if this amount were invested in an industry it would produce at least $20 million worth of business. Mr. Speaker, with $20 million worth of business in Timiskaming we could employ a large number of the 25 per cent of our people who are unemployed at the present time.

I just wonder what this bank would do in that regard. It is all very well to say that the money coming from western Canada is being invested somewhere else. As long as a bank has the sole purpose of making a profit, it will take the money where the highest rate of interest and the lowest risk is available and this bank would be no different. It is very easy for the investors to say to the investigating company hired by the Senate Committee that most of the money will be spent in Ontario. This may be true, but I suggest that anybody who has difficulty obtaining money from one of the chartered banks in Canada will have difficulty with them all. If a borrower is turned down by one bank he will be turned down by two. When these people are turned down by two banks, they try to raise money from the Industrial Development Bank, which really is a government agency. Therefore, the banking institutions of Canada take no undue risks.

• (1720)

I suggest that United Bank of Canada, if incorporated, will not do anything in this regard that is different from what the six other chartered banks would do. We must remember that when we are asked to pass this bill. I think it is unrealistic to suggest that because this bank is to be situated in Toronto, it will lend money on a regional basis to meet regional needs. Certainly, its money will be obtained on a regional basis, simply because in Toronto a great deal of money is being spent. It will continue to be spent there until we decide to change the structure of this country and develop some of the resources of the mid-Canada corridor. The chartered banks are not lending much money for development in that corridor. I suggest that the proposed bank will be no better and probably no worse than the chartered banks in this regard. Therefore, what is the point of establishing it?

All that banks do, when they go into business in any community, is take over or build a building and employ another set of employees. The operations of banks are practically identical. If you are a poor risk, they will not lend you money, and if you are a good risk they will. It is true that in different towns slightly different policies may be followed, largely because certain bank managers adopt different philosophies. For instance, one manager may be a lender; that is, he may like to lend. His bank will lend money. The bank may move him to another town and instal in his place a collector, or a manager who insists on collecting all debts. Of course, after banks have lent money they like to collect what is owing. The point is that, in the end, all the banks work the same way.

In December of last year I spoke on this bill, then Bill S-22. It had originated in the other place. In passing may I say that I am glad this bill has been initiated in this House. Whether hon. members who may not be here this afternoon, or who are present, for that matter, care to admit it or not, it is the elected representatives of the people sitting in this House and not the members of the Senate who may consider personal, regional or corporate interests, who should take a look at bills such as this. Although hon. members have available limited resources for research, nevertheless it is they who ought to make the decision on the setting up of such a bank. Surely one of our major purposes must be to consider such matters.

When I spoke, Mr. Speaker, I said that banks borrow money at a certain rate and lend it at another and, in the process, make a reasonable mark-up. It has been drawn to my attention by a gentleman in western Canada that commercial banks do not borrow the money they lend from the Bank of Canada. He says that this is a purely unrealistic concept when we realize that it takes 75 per cent of the bank's income from interest to pay operating costs. He adds that if they charged 8 per cent on loans they would have to get their money from the Bank of Canada at 2 per cent just to break even. Privately owned banks operate for profit for themselves, and their profits are substantial being at 25 per cent of gross revenue. I will not argue with that contention because, very likely, the gentleman in western Canada is correct. However, if that is correct, it means that we are examining an operation in which banks are obtaining money from depositors, lending it at interest, and, after deducting operating costs, making mark-ups in the region of 25 per cent.

I said in my speech made previously that I wanted to see more competition in the banking field, although I did not expect to see more competition. The gentleman from western Canada disagreed with my statement regarding competition and said:

> Banking is a service. It makes no direct contribution to the volume of the G.N.P. nor does it make any contribution to the economies effected in its production. Too often in the provision of services the sharing of a particular service adds to the cost of that service by the necessity of providing duplicate facilities. The virtues of competition are mostly mythical.

The correspondent at Shell Lake, Saskatchewan, is probably right. He made other comments in his letter which I appreciate. I am happy to acknowledge that his knowledge of the banking system far exceeds mine. Nevertheless, whether banks are only providing a service, the field of banking is one that the government itself has become involved in to a great extent. As I said a moment ago, the Industrial Development Bank provides funds for certain industrial purposes.

Also, the government of Ontario has become involved in the tourist industry and has given large loans in this area.

These loans have enabled certain borrowers to start an enterprise, and have also been of benefit to an industry that has been badly underserviced in Canada and which could not expand if moneys had not been forthcoming. These moneys were needed to provide facilities in certain areas where facilities had hitherto not been available.

One must also remember that when the government grants moneys under the DREE program, it grants moneys to industries that may be marginal. There, again, the government has entered the banking field, in a manner of speaking. Actually, I am not surprised to see some of these projects going into bankruptcy; neither am I particularly worried. It is desirable to establish industries in certain areas. Some industries need help desperately and, after the banks have refused to help, they have come to the government. Therefore, I say that the government has become involved in the field of banking. For that reason, Members of Parliament should look carefully at the bill before them.

We must look at the entire banking system itself and see how it affects industrial development in Canada. I am not particularly interested in setting up a bank which will merely operate in the old pattern already set by the chartered banks, for their operation has been totally deficient in many fields in this country. I suggest that it is hogwash to talk about an ethnic bank, hogwash to say that it is necessary in any region and hogwash to suggest that it is necessary in Toronto. If a so-called ethnic borrower could meet the legitimate conditions that would be laid down by this bank, I am sure that he would be acceptable to any other bank.

• (1730)

[*Translation*]

Mr. Henry Latulippe (Compton): Mr. Speaker, I am happy to have the opportunity of saying a few words about the establishment of a new bank, to be called United Bank of Canada, to which Bill C-164 refers.

Mr. Speaker, we are not precisely opposed to the creation of a new bank, but we want to give our opinion because we claim that banks do not properly fulfill their function in the economy.

They are necessary to our structure. They should ensure smooth running of our economy and not hinder it. When the economy is in trouble, the banks are involved to some extent. When the economy progresses, under our present banking system progress and development are achieved through the contracting of debts.

Canadians need healthy and efficient finances and that is why we are discussing banks. We do not seek to destroy our financial system, nor do we claim that it is wholly bad, but it must be improved.

Why do we criticize the present financial system? Because it is at the root of the evil, not fulfilling its proper functions which are to finance the production of goods corresponding to requirements and the distribution of these goods.

That is one of the proper functions of banks and we shall demonstrate that the financial system does not meet all requirements according to facts, needs and realities of our economy.

If the financial system did all this, it would be fulfilling its functions, but we can definitely state that it does not. And it is easy to say that it does not because we can see that the people ask for public and private goods that are definitely possible on a physical basis but that do not materialize because the financial system does not finance their production.

Also, some goods are offered to the people who need them but families cannot get them because the financial system does not finance consumption as a whole. These are undeniable facts.

Financial credit derives its value, Mr. Speaker, from real credit, that is, from the production capacity of the country. The dollar under any form has any value only because the country's production can supply products to support it. This production capacity is rightly called "real credit", because it is a real factor of confidence. It is the real credit of a country, its production capacity which gives people confidence that they can live in that country.

There are two kinds of credit: real credit and financial credit. To whom does financial credit belong, Mr. Speaker? At its source, financial credit belongs to the community, on the same basis as real credit, which gives it its value. This is a collective commodity which must benefit in one way or another to all members of the community.

Like real credit, financial credit by its very nature is social credit. The use of these collective goods must not be subjected to conditions that hamper production capacity or that divert production from its own specific end, namely the meeting of human needs. These needs are of a private or public nature, in the order of their urgency. The essential needs of all must be met before the luxury demands of a few can be bealt with.

Therefore, chartered banks, on account of their nature and privileges, of their sovereign right to issue credit in large quantity, meet the requirements of public order, because to lend by creating debts is to curb all development, as the terms of these loans are such as to disposess the citizen of all their goods, public and private.

We obviously need a financial system which yields to reality rather than forces it, a financial system which reflects the facts rather than contradicts them. We need a financial system which distributes rather than rations.

Mr. Speaker, the present financial system—and this happens in many fields—is rationing both the economy and the development process. We need a financial system which helps rather than degrades. Our present banking system runs us into debts, rations and prevents possible developments and paralyzes the economy. It is inconceivable that such a financial system can be perpetuated.

Another bank, Mr. Speaker, will not alter the situation very much either way. Another bank more, or less, will not provide more credit in the interest of the people. Such credit would be provided in the form of debts, of credit issues, to the extent that they will be public or private debts.

Banks, companies, even governments, in short, all institutions or corporations are mere productive or administrative tools serving the people. That is what our banks should be. The people are sacrificed in the interest of banks, of companies, of governments and of large institutions. Is this not clear enough?

I will go even farther. These are facts, observations. This is where the matter stands. This is the present position of our government, the first institution in Canada which is mainly responsible for our economic, monetary and political system.

We form a government of 264 members elected by 22 million Canadians who all have the right to live according to our production capacity. We are thus responsible in Parliament for taking the corrective measures needed in our economy.

Stating facts does not mean accusing, reproaching, blaming or even judging the government. But facts speak for themselves and help us to understand the causes of a parliamentary crisis that might be nothing more than a superficial abcess yet, but nevertheless shows the seriousness of the evil of our administration in Canada.

Here is our balance-sheet for 1967. At a time when in many cases people lack the necessities of life or normal well-being, our banks increased their assets by $3.2 billion. Our companies pocketed or constituted new capital totalling more than $15 billion, and we want to keep on reducing the purchasing power of individuals in order to increase the profits, the capital of banks and big corporations.

Mr. Speaker, in 1967, bank assets increased by $3.2 billion. In 1971, such assets increased by $7,121,396,000, to reach $54,428,406,000, namely a 14 per cent increase in 12 months.

As a matter of fact, here is a table showing bank assets:

October 31, 1970: $46,256,652,000.

October 31, 1971: $52,317,395,000. (For an average of $500 million per month for 1970-71.)

November 30, 1971: $53,147,362,000.

December 31, 1971: $54,428,406,000. (For an average of $1 billion per month for the last two months of 1971.)

Bank assets are therefore increasing from year to year as never before, but the income of most Canadians is smaller. When bank assets show a monthly increase of $1 million as they did during the last two months, the assets of small businesses are reduced, and Canadians are lacking the bare necessities. But the government, despite its prerogatives, does not in the least think of controlling money and credit for the benefit ot the nation.

• (1740)

Mr. Speaker, is such a weak monetary system likely to survive by raising new loans to pay up old ones? In the end, this leads to periodic massive cancellations of debts both private and public, cancellations which in turn pave the way to bankruptcy, repudiation or devaluation.

Over the last few years, we have witnessed devaluations in a number of countries. These were merely the repudiation of debts gordering on bankruptcy. Our economy went through all that. Bankruptcy is a daily occurrence in Canada. In fact, we have had 2,287 bankruptcies since 1969. It is terrible to see that a country such as ours will soon be forced to devaluate its currency to survive along with its system.

As for individual and collective indebtedness, it is undisputable proof that we must improve our banking system and modify the obsolete concept of credit based on

[Mr. Latulippe.]

shortage of goods. And it is precisely on that point that social crediters maintain that the inadequacy of the purchasing power may be explained by the inability of the current financial system to supply enough currency to buy the goods produced.

Mr. Speaker, if we want to improve our economy we must straighten out our current financial system by converting our national debt into a national asset. And the Minister of Finance (Mr. Turner) is far from advocating or achieving at.

Let me state briefly how to convert the national debt into a national asset. All our consumption should be financed not by chartered banks but by a central bank or credit commission, a strictly non-profit institution and not profit-oriented as our chartered banks are. All the country's consumption should be financed with interest-free money and all private or public production should be financed by debt-free money. Thus, there would no longer be any national debt since it would be converted into national capital or assets which would then yield national interests distributed as national or social dividends.

That is how we could proceed.

Mr. Speaker, we should immediately convert the national debt into national assets and the interests on the national debt in national dividends to be distributed to all Canadian citizens.

That part of taxes now earmarked for paying bank interests is outright robbery and such a procedure should be abolished along with the use of taxes to reimburse loans. We all know that the amounts involved are considerable if we consider the municipal, school, provincial and federal administrations involved.

The national debt, Mr. Speaker, is the worst swindle and the interests on the debt are extorted from taxpayers as the result of a fraud.

We have a lot of things to say about the banking system, but since we have reached a climax tonight with the request made to the government about the creation of an institution which would be allowed to handle Canada's capital, we will not oppose it too much because we know that one bank more or less will do very little to improve our economic situation.

We know that this will not solve the problem but we have decided to let the bill go through. We believe that it should be referred to the Committee on Finance, Trade and Economic Affairs to be more thoroughly studied and so that during the committee meetings we might raise objections to it and add to our comments.

We are prepared to let the bill through tonight.

[*English*]

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I rise merely to sound a note of caution in connection with this bill to establish a new bank in Canada. Over the years, Canadian banks have gained a very high reputation in international circles. It is many years since there have been any failures involving Canadian banks or since any difficulties have arisen in relation to their financial situation. It is important and necessary that before hon. members approve the establishment of a new bank they should make certain that it will meet the very high standards which have been set.

What causes me concern is that in recent years a number of new banks have been established by Parliament and, generally speaking, they have met with only limited success. On one occasion several banks were chartered within a very short period of time and their affairs did not work out well. I need not go into the details of each case, but they are moving ahead very slowly in most instances and in one case they are not moving at all.

We must assume our responsibility in this House to see that the great international reputation of Canadian banks is not jeopardized by anything we may do. If the institution which we are considering called itself something other than a bank, I would have no hesitation. I assume that the people who are applying for a charter, the people behind the application, are reputable Canadians, people who believe they can establish and operate a bank in the finest traditions of Canadian institutions. I have no hesitation about making this assumption, otherwise I do not believe the bill would have got this far; I do not believe it would be sponsored by a member of the House if he had not formed the opinion that it was well backed and well financed. But this institution is, if approved, to be a bank. It will be a Canadian bank, and when it is operating the reputation of all Canadian banks will depend upon the latest, the newest and the weakest in the banking system. The matter should, therefore, not be dealt with lightly.

I hope the Committee on Finance, Trade and Economic Affairs will closely scrutinize the details of the bank, the ability of the people behind the application, the opinions of the government officials who have been dealing with it and the views of the parliamentary sponsors who have brought the bill this far. The conditions set out in the Bank Act must be strictly enforced and supervision should continue beyond the initial stage.

• (1750)

That, in effect, is the concern I wanted to express. These bills are brought before the House on an occasion such as this, and those who have not been involved closely with the establishment of the bank and do not know the background are very poorly equipped to come to the real decision that we have to make this afternoon as to whether we have a properly sponsored and well financed bank. I do not think we have this background or adequate information. Neither do I think we can expect to be given it in the few minutes that the sponsor had to present his case. Rather, I believe the situation demands very close attention in the standing committee.

I do not intend to oppose the bill. Obviously, certain conditions at the start must have been met; we can only make that assumption with nothing further to go on. But I would sound a note of caution. I am sure that the members of the standing committee, as well as the officials who have to set up the bank and secure financing, who have to verify that all conditions have been met, will be very careful on behalf of the Canadian Parliament and the Canadian people to see that the bank operates as a good Canadian banking institution. If they do that, then I think their purpose as well as ours will have been met.

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

Some hon. Members: Agreed.

Mr. Peters: On division.

Motion agreed to, bill read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Knowles (Winnipeg North Centre): Six o'clock.

The Acting Speaker (Mr. Laniel): Does the House agree to call it six o'clock?

Some hon. Members: Agreed.

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

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS ACT, 1972

AUTHORIZATION OF FISCAL PAYMENTS TO AND TAX COLLECTION AGREEMENTS WITH PROVINCES

The House resumed consideration of the motion of Mr. Turner (Ottawa-Carleton) that Bill C-8, to authorize the making of certain fiscal payments to provinces, to authorize the entry into tax collection agreements with provinces, and to amend the Established Programs (Interim Arrangements) Act, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, in my remarks earlier this afternoon I tried to point out the problems that would be created for the provinces by the unilateral decision of the federal government to limit the increases in the contributions that the federal government would make to shared-cost programs such as health services, post-secondary education and other programs. I dealt in some detail with the problems that will confront the provinces as a result of the decision of the federal government in respect of health services.

I want to deal very briefly with the decision made by the federal government and referred to yesterday in the speech of the Secretary of State (Mr. Pelletier) with regard to the financing of post-secondary education. Since 1966 we have had an agreement under which the federal government has paid approximately 50 per cent of the cost of education at the post-secondary level and particularly in respect of universities. Now the federal government has decided unilaterally, I think, although the minister tries to give the impression that this proposal had the agreement of the provincial ministers, that the federal government's increased contribution to post-secondary

education amount to no more than an increase of 15 per cent in one year.

All Canadian citizens should be concerned about the tremendous increase in the cost of post-secondary education. Dr. Miles Wisenthal, director of Statistics Canada, education division, in a speech at a conference in Banff in 1970, demonstrated how rapidly the cost of post-secondary education has risen in the last ten years and what is likely to happen in the next ten years. He pointed out that education is Canada's biggest industry and that 20 cents of every tax dollar raised from all sources goes to education. He said that per capita education costs have tripled since 1961. He pointed out that 8.5 per cent of the gross national product in Canada goes to education, more than the United States pays, and that in 1969 Canadian taxpayers spent $6.9 billion on education.

• (2010)

He pointed out that one person in three is either a student, a teacher or a service worker in an educational institution and that this does not include part-time teachers or part-time students. Elementary and secondary school enrolments have risen 30 per cent since 1961, and post-secondary enrolments have risen 251 per cent since 1961. What does he foresee for the future?

Dr. Wisenthal made some projections based on the experience of the past ten years. True, there has been a sudden and pretty significant drop in the past year, but nothing which indicates that his estimates are very far wrong. He points out that education costs could rise to 15 per cent of the gross national product, that while in 1969 the yearly costs per university student were merely $3,600, by 1980 these costs could rise to $9,000 per student. By that year, also, the cost to taxpayers for post-secondary education could be $8.3 billion, more than the total cost of education in 1969.

The government of Canada and the provincial governments not only have a right but a duty and responsibility to consider what is happening in education, both in terms of the number of students attending educational institutions at all levels and in terms of the present and projected costs. We have a right to ask ourselves whether we need so many of our young people and young adults attending schools, universities and community colleges. We have a duty to ask whether an educational system in which a youngster starts school at age five and continues until age 25 provides the best way of educating people, or whether we ought to have a system whereby people go to school, later to work and then return to school for a period of years.

We have a right to ask whether the tremendous amounts of money that we are spending on the upgrading of adults through manpower training courses in our educational institutions is the right method by which to proceed, rather than adopting the system used in other countries where manpower training is carried out almost exclusively on the job.

I do not question the right of the federal government to say that there is a limit to what we can do, but having encouraged the provinces to undertake vast expansion of their post-secondary educational facilities, the federal government should not now say in the middle of the ball game that it is going to stop financing post-secondary education or sharing its educational costs and that from now on the limit will be a 15 per cent increase in any one year. I agree that we have to think about restricting increases, but this ought to be done through close co-operation and discussion between the federal government and the provincial governments. That has not been done. The decision, as confirmed yesterday by the Secretary of State, upholds my contention that the federal government has made a unilateral decision which is completely unfair and unwarranted.

I wish to deal with one more subject before I complete my remarks, Mr. Speaker. The federal government has adopted a very rigid attitude toward the provinces with respect to the collection of income taxes. Up until now it is apparent that the federal government is not prepared to discuss with the provinces a system of tax credits within the income tax structure. Manitoba was the first province to make a formal submission to the federal government on this matter. It outlined several possible alternative tax credit system and dealt with some of the administrative processes which would be required. Yet to date it has received no detailed response or reaction from the federal Department of Finance.

The government of Manitoba feels that the basic questions at issue in connection with the tax credit problem, from the point of view of the federal government, should be primarily administrative while consideration in respect of specific credit amounts or related questions should fall within the area of responsibility of the provincial governments. There has been no response from the federal government on this matter.

The Manitoba authorities asked for joint discussions so that they could begin to develop a workable tax credit plan. They hope that next year they can begin such a plan and apply it retroactively to 1972. It is difficult to understand why they have had no response from the federal government, because the federal government agreed with the Ontario government's proposal whereby the Ontario government went ahead with a flat rate, retroactive income tax reduction for Ontario residents. Speaking from memory, and I think I am correct, that was a simple reduction across-the-board of 3 per cent.

The government of Manitoba, ever since it was first elected, has said it wants to establish its taxation system on a much more equitable basis so that people will pay taxes in a way in which they can best afford to pay them. Instead of a simple across-the-board tax cut, Manitoba wants to institute a system of selective tax reductions for people in the lower income brackets.

We have heard many government spokesmen talk about equity. Again and again the Prime Minister (Mr. Trudeau) has said that we are moving toward a more equitable society, one in which the people in the lower income brackets will be brought closer to an adequate standard of living. When we have the 1971 census figures analysed, I do not believe the evidence will show that in fact we are moving toward a more equitable society. I believe that, when analysed, they will show the complete reverse, that the differences between people in the lower fifth of the income levels and those in the upper fifth are widening rather than narrowing.

The government of Manitoba wants to do what it can to reduce the burden of taxes on people in the lower income brackets. I find it incomprehensible that the federal government having accommodated the government of Ontario with respect to its proposal of a 3 per cent tax cut across the board and having accommodated that province in the collection of its taxes, has so far refused to co-operate with Manitoba in the institution of a tax credit system which would permit Manitobans in the lower income brackets to pay lower taxes than they are now paying.

• (2020)

Therefore, I say to the Minister of Finance (Mr. Turner) and to the government that while we support this bill, and I submit that no Member of Parliament from any province can object to a bill which spells out a form of transferring tax revenues from the richer provinces to the poorer provinces in order that their services be brought closer to the national level, in many ways this bill falls far short of what is required to establish a fair and equitable tax system.

Hon. Hugh John Flemming (Carleton-Charlotte): Mr. Speaker, in rising to make some observations on this bill concerning federal-provincial fiscal arrangements, which includes authority to make certain fiscal payments to provinces and to authorize the entry into tax collection agreements with the provinces, I do not wish to offer any great criticism because I feel the bill has a great deal to commend it.

As one who has had some experience in dealing with these questions from all points of view, because I had the honour of speaking on behalf of a province at federal-provincial conferences and later I had some federal responsibility, I believe people from both sides of the House can take a degree of satisfaction from the legislation. I feel, however, that some things have been overlooked, particularly in reference to the maritime provinces, although these may be remedied subsequently.

Before proceeding with my remarks on this bill, Mr. Speaker, I should like to take this opportunity to congratulate the Minister of Finance (Mr. Turner). This is the first chance I have had to do so publicly since he has been entrusted with his new duties. Of my own knowledge I can say he has undertaken no small task in view of conditions as they are nationally and internationally. In this vein may I also congratulate the hon. member for Calgary South (Mr. Mahoney) who has been elevated to the ministry. I feel this is a recognition well deserved. When he was piloting the tax bill through the House he was always prepared to give any information he could, of which he had a considerable amount. I am glad that his ability and hard work have been recognized.

Some hon. Members: Hear, hear!

Mr. Flemming: I agree with the minister about the importance of this bill, because there are certain things in connection with public affairs and business which are important. One is to have the assurance that within a certain period of time things will either be maintained at their present level or improved. With this assurance, provincial governments know where they are going and have something upon which to base their views. The stability to which the minister referred is most important.

It seems to me that a bill which suggests that within five years payments to the provinces will increase from $1¼ billion to $1½ billion is most important and anticipates a great improvement in the economic welfare of the country. It is a great thing to be an optimist. Generally speaking, people who accomplish things are optimists and go ahead on the assumption that conditions are going to improve. Some members of my party have been accused of being prophets of doom, but in this connection I find it reassuring that the government—I do not necessarily mean the government, but rather those entrusted with the administrative functions of government—consider that it is perfectly in order for them to suggest that payments may increase from $1 billion to $1¼ billion in five years.

The question of stability is most important for the provinces. To a degree my remarks are made from that point of view; it is difficult to get out of the habit. Without question, the matter of revenue raising in the provinces is of great importance, and it is a tremendous thing for the provinces to be assured that should their revenues fall below the national average because of lack of revenue capacity, the federal government will make up the difference. As far as the province in which I reside and which I represent is concerned, $165 per capita will be made up by the federal treasury, according to the minister. Multiplied by the population, that is no small sum. If I were running a provincial government I would feel reassured to see this bill presented with the expectation that it would pass this House in its entirety.

The minister quoted from the report of the Rowell-Sirois commission which said that the federal government has an overriding financial role in the pursuit of national growth and stability. Another point the report made was that fair standards of public services and taxation in all regions of the country are vital to our national unity. Of course they are and we all know that, but to have it quoted by the minister is a very fine thing.

The report also made the point that co-ordination in tax policy between the central government and the provinces is essential in a modern industrial state. Of course it is. I am sure that each province realizes that only by co-ordination of the efforts of all will the well-being of the country be enhanced and we will make progress as a nation. I realize that every province cannot have the same amount of growth and taxing capacity, but I am sure that the 100 per cent stability guarantee gives them confidence in regard to their general operations and financing.

Equalization is also tremendously important. Then we must consider the question of fair standards of public service and fair taxation in all regions. This is important. I think many of the matters mentioned in the minister's speech and contained in the bill will be good for the country because uncertainties will be disposed of.

• (2030)

The bill also envisages the federal government undertaking to agree, on behalf of the provinces, to collect personal income taxes and corporation taxes as well as succession duties and gift taxes levied by the provinces. There has been lack of communication between the federal government and the provinces on the matter of succes-

sion duties and gift taxes. We were told, when the capital gains tax was introduced, that the government was vacating certain tax fields; it would not levy succession duties and gift taxes. In the case of New Brunswick, for instance, the provincial government has moved into that tax field, or it wishes to do that. It seems to me that the federal government can be criticized for not having made arrangements under which provinces could enter the tax field vacated by the federal government.

Since capital gains tax is to be levied, it seems to me that arrangements should have been made with the provinces to avoid double taxation. Therefore, I suggest that the federal government may be open to criticism on that score. I say that it is most unfortunate to contemplate the incidence of double taxation in New Brunswick. If small or even large family businesses are saddled with succession duties, those businesses may have to be sold at sacrifice prices. That situation will do no one any good, and those wheels which have been contributing to our economy in that area may be stopped, perhaps for a long time to come. I feel the government has overlooked that. Whether the situation can be corrected at this late date I do not know. I know the matter is serious in my province.

I am pleased to see that under the bill there is a five-year guarantee which provides that each province shall receive as much revenue from the reformed personal income tax system as it would have received under the old system. That certainly will reassure the provinces.

The next item, as I read it, extends for two years the existing system of federal payments for post-secondary education and certain technical changes in the established program are to be made with regard to Quebec. We are all concerned about such matters. After all, although we sit here as federal representatives we all come from a province and are interested in back home.

I remember a few years ago coming into the New Brunswick legislature with some details about a federal-provincial tax agreement. My recollection is not perfect in regard to every detail; however, I remember that after the Second World War the premier of New Brunswick used to report to the legislature when he returned from provincial conferences. He would report that an arrangement had been made with the federal authorities for the rental of the income tax field. That is how we referred to it in those days. We rented the tax field, thereby giving the federal government authority to collect taxes. He would give the details of the arrangement and then say that it was the best arrangement that could be secured in view of conditions prevailing.

The amount of money that this involved for New Brunswick under the tax rental agreement of those days has little relation to the amount that New Brunswick now receives under the equalization formula. Actually, at present there seems to be no connection between the amount rented out, so to speak, and the amount received under this act. I put that difference down to inflation, Mr. Speaker. If I may digress for a moment, let me ask where this extra money is coming from. The extra cash the province receives in return for vacating this field can be put down to the workings of inflation. It seems to me that we are suffering a good deal of inflation and if present rates of inflation continue for 10 or 15 years the consequences will be serious. This is a problem to which we should attend. Should we not address ourselves a little more diligently to the question of inflation?

From time to time, especially during the last two or three years, there have been strikes involving Air Canada. We have been bothered by the strikes, not knowing whether we could travel to our destinations by air. They caused great inconvenience. The strikes have now been settled. But the other day I talked to a man who had been involved in a strike and he said yes, they had accepted a settlement but he felt the cost of living had risen so much in the interval that the amount he would get after the strike would not buy much more than it could have bought before the strike. The point is that we must recognize the fact of inflation. The President of the Treasury Board (Mr. Drury) the other day brought down a record spending budget. The question is, where will all the money which the government will spend come from? I am afraid that much of it is the result of inflation. If I am right, the implications for us are serious. That is something that we in this chamber should address ourselves to in an attempt to find a solution as quickly as possible.

If I may refer to 1955, let me say that in the Dominion-Provincial Conference of that year we made certain proposals to the government which, although not entirely implemented at that time, have pretty well been implemented since. We said it was important to discuss the principle of federal-provincial assistance to the provinces for the broad purpose of resource development, this proposal being designed to meet a situation with which most provinces had grown familiar. I would say, generally, that the suggestions we made in 1955 have now been recognized by the federal authorities as valid.

During the ten-year period following, and even subsequently, there was broad development of our national economy. At the same time, social welfare measures, either entirely as introduced by the provinces or in part supported by federal revenue, accomplished much to bring about a certain levelling of incomes. These accomplishments, both economic and social, have been substantial and those whose foresight and administrative ability had contributed to the success of those programs were people active on both the national and provincial scene. They certainly had a hand in the improvements that came about. I think all those people deserve full credit for what has happened.

• (2040)

At the same meeting, the second matter we wanted to discuss was the difference in taxable capacities of the provinces. That is what I have been talking about; it is what is embodied in this bill. This principle, which has now been accepted, has been expounded by the minister. It makes me feel pretty good that we were on such solid and safe ground when we made that request back in 1955.

I have always felt that general economic conditions in every part of Canada are the basis upon which the future unity and progress of our country depends. I would like to repeat those words because I think they bear repeating: I have always felt that general economic conditions in every part of Canada are the basis on which the future unity and progress of our country depends. I still believe that. I believe in a national policy specifically designed to recognize income disparity and to do something about it,

to improve regional incomes by appropriate fiscal measures, to increase productive capacity so that every able-bodied and healthy adult is able to make a full contribution to production.

It is a shame that we have so much unemployment today. It is not only a question of the person who is unemployed but it is the lack of productivity caused by the fact that the individual is not producing. That is most serious. These are some of the most necessary elements in the process of growth and progress which will cement our country into one strong and viable unit which is the objective of us all. That is what it will do, but surely we are capable of a great deal more. I hope we may succeed in that endeavour.

I return for a moment to the question of the 1955 conference because there are some further points I wish to make. The third subject that we wished placed on the agenda at that time was the special awards that were made to the maritime provinces as a result of the Duncan and White commission reports in 1927 and 1935 respectively. I realize a good many members sitting in this chamber may not have heard of these awards; however, I will not define them in detail. The reports to which I have referred recognized that the maritime provinces had a valid claim on the federal government for special consideration by virtue of the fact that they as provinces had not received any additional public lands as was the case with practically all the provinces from Quebec west. I mention this point so that the minister will be familiar with the basis of our claims of that day which, incidentally, I submit are still valid.

Two maritime provinces had come into confederation when it was set up in 1867 and became the Dominion of Canada consisting of the provinces of Ontario, Quebec, Nova Scotia and New Brunswick, with Prince Edward Island coming in a few years later. The rest of Canada remained a very large and important productive area for future development. However, when the western sections of the country came in and were set up as provinces, which was just a few years later, their boundaries were enlarged, mostly northward, by adding to their areas a great many square miles of northern land. This was the case with Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia. But the maritime provinces had no northern lands that could be added to their areas, due to their geography; and no special, tangible recognition has ever been made of this special situation.

Many unforeseen changes have taken place since the provinces to which I have referred had their areas greatly increased. Today, the hinterlands referred to have become tremendously valuable to the provinces claiming them. As we all know, the exploitation of natural resources is continuing from month to month. On the other hand, as I have mentioned, the maritime provinces are prevented from adding to their wealth in this way, owing to their geographic location.

At the time these areas were added to the provinces they may have been considered of questionable value. This may have continued for a good many years. However, they have now become fields of large capital investment and are seen as areas speculative resource development with the resulting large increase in tax revenues accruing to the fortunate provinces concerned. Almost every week we read of discoveries of oil and gas in what has generally been regarded as the north, and from this we all take the greatest satisfaction. This enhances the strength of the claim of the maritime provinces for special recognition. The royal commission to which I have referred recognized this principle in their reports in 1927 and 1935, and it is surely very evident that with the passing of time and ensuing development the claim of the maritime provinces becomes more and more valid.

I said that no attention has been paid to our special situation, but that is not exactly the case. With the coming into office of the Diefenbaker government in 1957, an act setting up the special adjustment grants was passed, under which $125 million was made available to the Atlantic provinces over the subsequent five-year period. At the end of that period this sum was increased to $175 million over the next five years.

I have always been at a loss to understand the reason for doing away with the special adjustment grants in 1967, because I believe it was over and above the ordinary equalization concept and should never have been considered part of it. I submit it was largely due to our vested interests in the northern lands in respect of which disposition was made subsequent to the coming into confederation of the western provinces. As I said, a large area of land was made available to the provinces from Quebec west. I ask the minister to keep this claim in mind when application is made by any of the Atlantic provinces for special consideration, and to recognize that we should have a very large credit balance on the books of the central government due to our interest in northern lands which has never been properly dealt with.

I return to the history of 1955 because I believe it is of interest and is certainly applicable to the present situation. At that time we asked that consideration be given to speeding up completion of the Trans-Canada highway project and that assistance be given to the Atlantic provinces to this end. This has been done under governments of different political complexion. It has had the effect of linking Canada from coast to coast so that traffic is not only possible but is becoming greater and greater with the passing of the years. The Fathers of Confederation had the correct view when they said traffic and trade should move east and west to the greatest possible extent. This is now coming into being.

When I see large trailer-trucks coming through New Brunswick with Vancouver, British Columbia, Calgary, Alberta, Regina, Saskatchewan, Winnipeg, Manitoba and Toronto, Ontario, licence plates, I am impressed by the link that we know as the Trans-Canada Highway which joins Canada together from east to west, or west to east as the case may be, and brings with it the ability to move traffic and expand trade to an even greater extent.

The next item with which I shall deal is one with which this Parliament is very familiar. It perhaps exists to a greater extent today than when we made the report in 1965. I do not blame anyone in particular for it, but it is in existence. I shall quote the exact words which we used when asking that this matter be considered by the conference in 1955. I shall quote it exactly because I do not think I can improve on the language:

The fifth item which the government of New Brunswick feels should be placed on the agenda is the laying down of a compre-

hensive national policy to deal with the problem of unemployment. A policy of this kind can only be carried out under the vigorous leadership of the federal government. Unemployment must be dealt with in two ways:

(1) The implementation of proper fiscal and monetary policies by the national authorities. This should include a program of capital grants to the provinces and to the municipalities so that public investment may be expanded as unemployment reaches critical proportions.

• (2050)

(2) Responsibility for the relief of the unemployed be taken over by the federal government. Neither the provinces nor the municipalities have the resources to deal with this problem during a business recession. It will, of course, be remembered that this was one of the principal recommendations of the Rowell-Sirois Commission.

That last recommendation has now been implemented. So the items discussed at the conference in 1955 can be summarized as follows: some of the proposals have been implemented and some have not:

1. Federal assistance to the provinces for the purpose of resource development.

This has been done by successive governments. I am not taking any partisan position on it at the present time.

2. Future tax revenue agreements should include a factor which will take into consideration the difference in taxable capacity among the various provinces.

This has been recognized and done.

3. Reconsideration and review of the Duncan and White Commission's awards.

This is one request which has not been recognized. If the minister will take the trouble—as I know he would if he had the time—to see what I have said about the Duncan and White Commission's awards, I should be greatly obliged because perhaps he does not have up to date information on this subject. I have referred to it only in general terms though, I believe, in appropriate terms.

4. Extension and revision of the Trans-Canada Highway program.

This has been done. The country has been joined from east to west.

5. A national policy to deal with unemployment.

I question whether this has been done by any government. If the minister were to ask me what I would do about unemployment, I do not think I should be able to tell him without a great deal of thought, and perhaps not even then. Everyone acknowledges that this is a very difficult problem. We were talking about it in 1955 at the Dominion-Provincial Conference and we are still talking about it today; it is still with us, unfortunately.

We in the maritime provinces are very conscious that some of these requests made during the 1955 conference have been complied with by this government and by previous governments of all political complexions. There still remains, however, recommendation No. 3. I do not ask the minister to do anything about it at the moment because I cannot speak on behalf of any provincial government, though of course I have their interests in mind. We must differentiate between our federal responsibility and responsibility to our province and its claims. But I think the minister should acknowledge that we have a credit balance on his books; and I am referring again to recommendation No 3. So when representatives come from the provinces looking for special consideration, I trust he will receive them with his usual courtesy.

[Mr. Flemming.]

Mr. Len Marchand (Kamloops-Cariboo): Mr. Speaker, before I begin my remarks this evening I should like to congratulate my hon. friend from Ottawa-Carleton (Mr. Turner) on his appointment as Minister of Finance after doing an excellent job as minister of justice. I know he will do the same kind of job in his new portfolio. I should also like to congratulate my hon. friend from Calgary South (Mr. Mahoney). We all know the tremendous job he did in piloting the tax reform bill through the House. He deserves elevation to a cabinet post. I welcome his appointment, as a westerner, but I welcome him first and foremost as a Canadian. I know he will do a tremendous job for Canada.

I am pleased to participate in the debate on Bill C-8. I listened to the Minister of Finance yesterday with a great deal of interest, and I stand solidly behind him and the remarks he made regarding the philosophy of equalization. This has been a very hot subject in the province of British Columbia during the last few months. I am distressed about the connotation this debate has taken on in British Columbia. The Premier of British Columbia has, in my view, taken a wrong stand and the remarks he has made can do a great deal of harm in sowing seeds of distrust and misunderstanding which would lead people to think in terms that would be totally against the best interests of confederation. I do not know what Premier Bennett is trying to do. He says he is not trying to divide the country. I believe him. Yet his remarks certainly cannot be considered constructive or in the best interests of Canadian unity. Perhaps, if he is not trying to be divisive, he should think through the possible consequences before making public statements.

If the government of British Columbia is challenging the concept of equalization on a constitutional and fundamental basis, then maybe they should tell the whole story of where the payments are going, rather than just relating the grievances to statement that too much money is going to Quebec alone. These are not the facts, Mr. Speaker, and the good Premier knows it.

When I hear remarks of this kind, about there being perhaps too many Frenchmen in Ottawa, and remarks such as some hon. members made during the debate on the Speech from the Throne, I have to chuckle. I almost feel like saying, "If you don't like this country you should give it back to the Indians." On the other hand, I suppose the Indians might be blamed for part of this problem. If the Indians had established a different immigration policy these difficulties would not have occurred.

Some of the facts concerning the disposition of grants under the equalization program have already been placed on record by the Minister of Finance. However, I do not believe it would be amiss to re-emphasize them and perhaps to draw attention to a few which were not mentioned by the minister. I should like to put on record figures as to the moneys received by the so-called have-not provinces from equalization payments expressed as a percentage of gross revenue from provincial sources: Newfoundland, 65 per cent; Prince Edward Island, 55 per cent; Nova Scotia,

34 per cent; New Brunswick, 38 per cent; Quebec, 16 per cent; Manitoba, 12 per cent; Saskatchewan, 13 per cent.

I think it would be interesting, too, to put on record the reaction of some of the premiers and ministers of the have-not provinces in response to the declaration by the government of British Columbia that it intended to take the federal government to court over the question of equalization payments. In St. John's, Newfoundland, finance minister John Crosbie said his province would have to close up shop if the payments were ended. In New Brunswick, Premier Richard Hatfield said he was surprised and disappointed to hear of the challenge. He added that Premier Bennett, who was born in New Brunswick, knew of the need for equalization payments and the benefits they provided directly to the people of his native province.

In Toronto, Premier Davis said Ontario was not contemplating a similar suit. In his words: "We agree with the principle of equalization; we have never disputed it." Premier Ed Schreyer of Manitoba said the position taken by British Columbia ran counter to the federal system. Senator Forsey, an acknowledged expert on constitutional law, was also quoted as saying that the threat from British Columbia on equalization is pure moonshine. He also said: "I cannot imagine any lawyer who values his reputation taking the case. He would need the skin of a rhinoceros and the head of an ostrich."

• (2100)

The whole question of federal-provincial relations has been a favourite whipping-boy in Canadian politics for many years and I imagine it will be that way for some time to come. The game of politics dictates this, yet somehow we always manage to arrive at agreements which are acceptable to the diverse views that the regions of this nation reflect. I am confident we will be able to continue in that noble pattern. It seems to me that part of this thing known as being Canadian implies a commitment to national standards and the basics of life. The means with which to achieve this may be faulty in some ways. The differences that may be expressed from time to time among provinces and between the federal government and the provinces must be solved on the basis of negotiation and sound understanding, not always on the basis that "you're the bad guys and we're the good guys".

The essence of Canadian federalism means that some form of tax equalization policies have to be followed to give the less fortunate citizens in distressed regions of this nation the same standards of medical care, hospital and education facilities, income security programs and the like, as other Canadians. Canadians as a whole have long recognized the need for and the importance of reasonably comparable levels of basic public services across the whole country without resorting to unduly burdensome levels of taxation. This is the principle on which fiscal arrangements are based. Our system is probably unequalled in any other federal country.

I am proud and happy to have been born and raised in one of the wealthier provinces of this country and to be able to contribute to confederation through the system of equalization grants. I am also happy that I live in a country where I know that if something should go wrong in my own province and we are no longer wealthy, we can look to our more fortunate neighbours in other areas for a helping hand.

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I think the previous speaker not only demonstrated to the House that one can say everything one has to say in ten minutes, but he said it in a most impressive way. Perhaps that should be a discipline for myself, but I always envy those who can put a case with brevity.

I am going to confine my comments to clause 6 of the bill, the clause that extends the post-secondary education payment program for the next two fiscal years, or till March 31, 1974. I am simply going to raise one or two questions and then discuss some of the comments that have been made about the whole problem of post-secondary education and the undoubted national interest and concern in this field by Dr. J. A. Corry, former president at Queen's University.

In his speech the minister spoke, to use his own words, of "a detailed and motivated statement on the attitude contemplated at the time"—that is, at the end of March, 1974. If the minister's statement is to be useful—I certainly hope it will be—it means that between the time this bill receives royal assent and the end of 1974 the universities and the Council of Ministers of Education of the various provinces must be heard by the Secretary of State (Mr. Pelletier).

I should like to stress the need to hear not only the university presidents but the entire university community, including the faculties and student representatives. There is some urgency to this matter because as my leader has said, and I think validly, what we are debating here is a stand pat proposal, particularly as far as post-secondary education is concerned. What we have here is really a postponement of a decision, one that has to be taken, concerning the federal thrust in this field within the next 24 months. Although 24 months may seem like a long time when one contemplates the period in the House of Commons this evening when a very agonizing series of questions have to be considered, I am sure the time is all too short.

I hope this comment is fair, but prior to 1967 the then prime minister, Right Hon. Lester Pearson, had attached to his office certain people on staff one of whom was Dr. Kenneth Taylor who, if I remember correctly, had specific responsibility for post-secondary education. Then, under the succeeding administration this responsibility was shifted to the Department of the Secretary of State. I have no quarrel with that except to say that although this very important matter is being considered at this moment, the special advisers to the Secretary of State, so I am told, have left that department. If I am incorrect, I should like to know who within the office of the Secretary of State is in charge of enunciating a national policy, a policy of the government of Canada, regarding post-secondary education. Certainly we want to hear these officials when this bill goes, as it must, to the Standing Committee on Finance, Trade and Economic Affairs. Some very fundamental questions will have to be taken up in that committee before the end of this month.

I am very conscious of escalating costs in the field of education, and coming from a have-not, or so-called poor province I am grateful for the fact that a good deal of

extra money has come to my province in the form of equalization grants and under the formula for federal assistance to post-secondary education. But this is a matter that is really far more fundamental than being simply transfer payments of cash. What I am suggesting is that there is a serious vacuum in this field that cannot be overcome merely by adding a two-year extension to a federal statute. This bill postpones decisions that have to be made. That is why we shall be anxious to hear from officials in the Secretary of State's department, if there are any left responsible for this field, when the bill comes to the committee.

I am alarmed at the growing evidence of an inward-looking policy, if I may put it that way, in the field of post-secondary education. I would not presume, in a debate like this, to comment on the Wright study that is now going on in the province of Ontario, but I have an uneasy feeling—I say this with great respect for my colleagues who represent areas in the province of Ontario—that the Wright commission has had the attitude that here we are in the Garden of Eden—Ontario. We are born here, educated here and we die here, and may the rest of Canada take the hindmost.

• (2110)

I do not say that this is the case in the equalization formula. How could I, since Ontario has been accepted as one of the key provinces in the Canadian federal system? But I am alarmed at some of the things that seem to be said now, at least in the interim stage of the Wright commission investigation of post-secondary education in Ontario. After all, not all Canada can be born, educated and die in Ontario. There is a national aspect, both a constitutional one and also one lying within the whole focus of the government of Canada in university education.

As I say, we have been given two years of grace for a system which is obviously unloved because of the 15 per cent placed on the escalation of funds, unloved by the government of Canada because it is open-ended and unloved by the provinces because of the uncertainties that arise due to the very short duration of the scope of this act.

Dr. Corry has been underlining the national aspect of university education for many years. It is very interesting to go back to the days of 1966 when this whole matter was being discussed and when finally the ad hoc solution was arrived at within days or even hours of the 1967 agreement, if I understand it rightly. Dr. Corry says:

> There obviously must be some national goals of education in Canada; even though at one time or another, nearly all of them may be met by initiatives taken within the provinces . . . There are national goals, and the laying of one-half of the operating costs of post-secondary education as a charge on the federal revenues certifies that proposition.

We discussed in many other debates, when we considered the whole matter of constitutional reform, the aspect of section 93 of the BNA Act, but may I remind the House of a key phrase in section 93 which provides:

> In and for each province the legislature may exclusively make laws in relation to education.

I am not for one minute coming to this Parliament 104 or 105 years after confederation and suggesting that the

[Mr. Fairweather.]

government of Canada should be butting into the provincial aspects of education, curricula and everything else at the school level. But when the BNA Act became law there were very few universities of international or even national scope in this country.

I am perfectly sure that the skilled drafters of the constitution did not for one moment contemplate that in the university area there would not be massive federal responsibility and concern. As Dr. Corry said, if we need any other evidence of it, we are considering in this bill a massive amount of transfers of money from the government of Canada. If we need any more evidence of the national concern, we have it in the educational provisions that are made for our Indian and Eskimo peoples and for the dependants of people serving in the armed forces, and so on. So it is not at all true to say that the provinces have exclusive jurisdiction in the educational field. That is not contemplated by section 93. Of course, the provinces do have exclusive jurisdiction in and for the provinces themselves.

I do not think it would help this debate or national unity if we began picking at various universities and some of the pressures that are on them, but surely of all aspects of our country's life the university is not one that can be constrained by any narrowness or any provincial boundaries. Many of the famous universities of this country are famous because their authority transcends not only provincial boundaries but the boundaries of the country itself.

It is interesting to recall also that in the whole field of funding, post-seconary education raises the matter of the government role in the field of education. Dr. Corry made a couple of speeches about this in Saskatchewan in 1969. The speeches are entitled, "Universities and Governments". They were given as part of the Quance lectures at the University of Saskatchewan a couple of years ago. In these lectures Dr. Corry raised for us the very fundamental issue. He said that when governments begin to have a major responsibility for the funding of institutions then, as night follows day, governments get themselves into the position of making decisions regarding curricula, and so on, which should properly be left to the universities themselves.

As I began my comments I complimented the hon. member for Kamloops-Cariboo (Mr. Marchand) on the brevity of his speech, so I can hardly carry on much longer. But I do want to say in a general way that the two-year breathing space that has been given to us for the consideration of what is in part VI of Bill C-8 will, I hope, be taken up by the universities themselves, because there is a tremendous amount of information that they should be giving the government of Canada. Also there should be close and intimate contact with the Council of Education Ministers.

Lastly, I hope that when the bill goes to the committee next week or so the officials of the Department of the Secretary of State will be there so that we can raise with them some of the very interesting and what I might call core considerations which arise when governments are heavily involved in the funding of national institutions which are our universities.

• (2120)

Mr. Allen B. Sulatycky (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I wish to make only a few brief and perhaps disjointed remarks in this important debate. It is important and appropriate that this debate take place at this particular time because in the last few days the very basis of confederation has been challenged. I refer to three particular elements: the idea of equalization payments, the concept of an accommodation between the two major language groups in the country, and some question has been raised about the value of the government's new multicultural policy. It strikes me that if we challenge these factors in our national existence we are really challenging the idea of confederation itself. Therefore, I say it is appropriate for this House to be debating questions relating to equalization payments and federal-provincial fiscal arrangements.

In 1924 Vincent Massey, who later become Governor General of Canada, said:

> This country is much more than a chain of wheat fields, and gold mines, and pulp-wood forests; it is more even than the union of nine separate provinces: it is the expression of certain ideas.

I have never seen a better definition of Canada. Many people have tried to describe Canada and to define Canadian identity. No one has really succeeded as well as Vincent Massey did in these few words almost 50 years ago. The idea that is embodied in Canada could, I suppose, be described as a great experiment in the evolution of a truly co-operative and tolerant society, a society in which we can co-exist with other people who share many things with us but who may have a different language, a different religion, and in which we throw open our doors to the world and allow newcomers to retain that from their past which they value, and even allow them to retain their former language, to a greater extent than is possible anywhere else in the world.

I think that if you look at Canada in any other way you would have to conclude that it is certainly not a feasible state. For example, there is no nation other than the USSR which is spread over such a large area, east and west, north and south, or encompasses as many diverse geographic areas with as inhospitable a climate as we have and with the population strung out in a narrow belt. If we were to look at this sensibly we would conclude that the best thing we could do is join the great nation to our south. That would make the greatest economic sense to many people. If we had done that some time ago we would probably all be better off today in an economic sense. However, that is not what happened.

The people who embarked on this venture called confederation did so because they wished to resist absorption by the United States. They wished to attempt a different kind of society on the northern half of this continent, a society in which two peoples attempt to live together in unity and harmony and who invite the rest of the world to come in and join them in this great experiment. In order for this experiment to survive, Mr. Speaker, it strikes me that we must have an inordinate amount of co-operation among the various regions in the nation, and indeed among the inhabitants of the nation. That is what equalization payments are all about. It is really people helping people, the people who are more fortunate helping those who are less fortunate.

I happen to come from an area which has been blessed with great natural resources and which at the moment has perhaps a stronger economy than most other areas of the country. I speak of the province of Alberta. I am sure I speak for most Albertans when I say that we are happy to be able to help Canadians who are less fortunate in other parts of Canada and we will be happy to do so for many years to come.

I believe that the hon. member for Kamloops-Cariboo (Mr. Marchand) was speaking for the majority of British Columbians when he expressed his sentiments earlier this evening. He expressed confidence that if at some time in the future the province of British Columbia became less fortunate, other parts of Canada would take up the slack and help the people in that part of the country to maintain a reasonable standard of public service and a reasonable standard of existence.

At the moment, most of the federal payments made to provinces are going to the five most easterly provinces. I am confident that that will not continue for very long because one cannot help being impressed by the tremendous potential which exists in those provinces. The mere fact that they are all bordered by the ocean in itself makes them an important part of the country, because in the future the oceans will play as great or a greater role than do the land masses of the world. The fact that Canada has the longest coastline in the world and that five of our eastern provinces are on salt water augurs well for this country. I believe that Albertans, citizens of British Columbia and citizens of Ontario when they, in effect, invest in those areas are making a good investment.

But as I indicated earlier, there are those who suggest that there is something insidious about equalization payments and say that we should not make them.

• (2130)

Mr. Alexander: Where did you ever hear that?

Mr. Sulatycky: I have also heard from many people that we should devote a greater amount of our gross national product to foreign aid. It strikes me as being totally inconsistent to talk of providing 1 per cent or 2 per cent of our gross national product to underdeveloped countries and then quibble about using 1 per cent of the gross national product for distribution to the have-not provinces within our borders.

It seems that equalization is accepted in football circles but it is not accepted universally when it comes to supporting our country. For many years the Canadian Football League has had a system where the teams that draw the largest crowds help support others like Regina, Winnipeg, Edmonton or Calgary, and no one quibbles about that. As a matter of fact, without a system of gate equalization it is highly unlikely that the Canadian Football League would exist.

Mr. Skoberg: That is Saskatchewan—in Regina?

Mr. Sulatycky: As an expatriate of Saskatchewan, I stand corrected. I simply use this to illustrate that because of the nature of our country we have to help those areas which are not, at the time in question, able to help them-

selves. I hope the people of western Canada do not get hung up on this question of equalization. The people there are characterized by initiative and drive and by their foresight. They continually look forward, not back. If this becomes an issue of any magnitude in western Canada, it will simply divert their attention from the tremendous progress made in the last 20 or 30 years.

There is only one comment that I wish to make regarding the federal-provincial fiscal arrangements, and this is in respect of the shared-cost programs under the Canada Assistance Plan. Upon examining the social welfare systems in the provinces of Ontario, British Columbia and Alberta, one can only conclude they are using the plan as a back door by which to regain some of the funds they feel they are losing under the equalization payments.

In Alberta, many people are concerned about the rising cost of welfare and the numbers of people on welfare. They do not deny that there are unfortunate people who have suffered personal catastrophe and who require assistance from the state, but they also know that there are many others apparently well able to contribute to the state and the economy but who are not doing so and who rely on the social welfare system. This situation exists as well in British Columbia and Ontario and I hear from my friends in Ontario that welfare is easy to get there.

In the last three years I have become convinced that these three "have" provinces are using the system of the Canada Assistance Plan to get back from the federal government what they feel they are paying out under equalization. The result is that in those parts of the country where there is less need for welfare, it is easy to obtain. In Ontario, British Columbia and Alberta the provincial government can afford to pay 50 cents in order to bring in another 50 cents in federal government funds, but the poorer provinces must scrape to get that first 50 cents in order to pay their own 50 per cent contribution to welfare services.

The result is a distortion in our scheme of providing assistance to the less fortunate individuals in the country. I hope that at some future federal-provincial conference this matter will be discussed seriously so that public funds used to assist our less fortunate fellows are used properly. It should be possible to ensure that provincial governments do not regard them just as a means of obtaining federal funds and it should also be possible to ensure that they are not used in a way which creates dissatisfaction with an otherwise sound social security system.

Mr. Speaker, in the few minutes that I have taken I hope I have indicated my support for the bill sponsored by the Minister of Finance (Mr. Turner) and for the system of equalization grants. I am sure that I speak for the majority of the citizens of Alberta, and I am confident that I do when I read editorials such as the one which appeared in a weekly published in my riding called *Western Review*, of Drayton Valley. On May 6, 1970, when speaking of Quebec the editor said:

—we should certainly be attempting to solve the economic ills plaguing the province. At the same time, the maritime provinces have more than their share of problems that should also get federal attention.

I am also pleased to be supporting this government which in the last four years has done more than any other federal government to support those particular regions of Canada.

[Mr. Sulatycky.]

Mr. John Burton (Regina East): Mr. Speaker, the bill before us is the product of a long process of negotiation which no doubt involved a great many problems and anxious moments for the ministers and the federal and provincial officials concerned. We must keep in mind that the agreement reached between the federal government and the provinces which is now embodied in this legislation is an integral feature of the fabric of confederation as we have it today. In fact, it has become a very important and essential part of the entire functioning of our nation as a whole. In many respects we can say it strengthens the nation because it takes into account some of the difficulties encountered from time to time and some of the changes which have occurred in the Canadian economy.

On the other hand, I think that we have to recognize that the important role these arrangements play in the functioning of government at the federal and provincial level across the country adds to the frailty of the entire structure of our nation. We go from five-year period to five-year period, and at the end of that time there is again this process of negotiation. This places the bonds of our nation under a great deal of strain, and I think this is inevitable with the type of negotiations involved in reaching the arrangements we are considering.

• (2140)

I think we must also keep in mind that to some extent the arrangements that are reached periodically are substitutes for the inadequacies and deficiencies of our constitutional structure. These at times can be assets which may strengthen our case; at other times they may produce problems and point more clearly to some of the difficulties with which we will have to grapple over a period of time.

I think one point that must be kept in mind in dealing with this legislation is that it underlines the inequalities and disparities present in our nation, inequalities which are demonstrated by differences in the financial position and fiscal capacity of various provincial governments across Canada. One province, Newfoundland, as was pointed out earlier, depends upon federal sources for 55 per cent of its total revenue. This fact, I think, carries consequences affecting the functioning of provinces as we know them within our federal system of government. The province of Prince Edward Island, as was pointed out, depends on federal sources for some 55 per cent of its revenue. This fact has produced problems as well. Certainly, these two provinces would not wish to see those revenues removed in present circumstances; nevertheless, to refer to them as provincial entities and as sovereign governments in the way that the minister referred to the government of Newfoundland in his speech is to put the present situation in terms that are less than accurate.

It has been made clear already in this debate that we in this party accept the principle of equalization and recognize that a great many features of the application of that principle are contained in this bill. I also want to make it clear that so far as the province of Saskatchewan is concerned, we feel the principle of equalization is important. It is important for the nation and is important to many

provinces. In future, provinces which do not now receive equalization payments may consider the principle of such payments important.

My own province, of course, has received a good deal of revenue from equalization payments over a period of time. Our dependence on this source of revenue decreased over the years and by about the mid-sixties it looked as though we might be one of the "have" provinces as defined under the federal-provincial fiscal arrangements. Certainly, a great deal of political hay was made of this fact by certain politicians of Saskatchewan who attempted to take the credit for a great deal of work which had been done for many years by the government led by my colleague, the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas).

Of course, the situation has changed drastically in recent years as a result of the drop in farm income and the decline in revenue from many mineral resources. Once again an increasing percentage of the provincial revenues of Saskatchewan is derived from equalization payments.

If I may carry this beyond the Saskatchewan scene, Mr. Speaker, I think it is necessary to underline the concern expressed in some provinces which might be regarded as "have" provinces. As I said before, the picture could be different in future years. At some time in the future some of the provinces now regarded as "have" provinces may well, for a variety of reasons, find themselves in a different position and become beneficiaries under equalization payment programs.

It is quite possible that some provinces which are presently enjoying the benefits of equalization payments may in future, by reason of changing circumstances, suggest that they are no longer benefiting from this type of arrangement. It is therefore important to keep in mind that the process of equalization is important for Canada's future if we are to ensure the existence of one united Canada. In this connection I think it is important to point out that we should all be concerned about the imbalances in Canada as between various regions and provinces.

At present, three provinces under these arrangements might be regarded as "have" provinces—Ontario, Alberta and British Columbia. Two of those provinces, Ontario and British Columbia, have been at the top of the scale for a number of years, if one is to judge from a variety of economic indicators. Certainly, to judge from these indicators they are the best off in many respects. How their economic wealth is distributed among the people of the province is another matter about which a good deal could be said.

Alberta, of course, has been in a favourable position for a number of years although there is no guarantee that that will be the case for a long time or on any sort of permanent basis. It may not occupy that position permanently. We must bear in mind that in terms of economic growth and population trends Ontario and British Columbia are the two provinces which are experiencing a high level of growth. None of the other provinces, including Alberta, is enjoying anything like the same level of growth, if one is to judge the situation according to the indicators I have mentioned or other indicators. Ontario, in particular, is growing. Of course, we are happy to see development in Ontario. Since Ontario is increasingly becoming the all-important province, I suggest that in the long run this will create difficulties for Canadian confederation.

That is why many of us welcome programs that will lessen the disparities between the other regions of Canada, not because that will be to the detriment of any province, be it Ontario or British Columbia, but because we want to ensure that the other regions of Canada are able to enjoy a degree of growth and well-being similar to that experienced in those two provinces. I am sure the minister is very concerned about some of these factors. The facts I have outlined carry implications which are of concern for Canadian confederation in the long run.

There are a number of features of this bill, Mr. Speaker, with which I think we can all concur; for instance, the change in the revenue guarantee provisions. The bill has changed the 95 per cent figure relating to the federal guarantee to 100 per cent. This is a useful change with which, as I say, we can all agree. It is an important change because it has been shown that the 95 per cent figure which was included in the 1967 agreement had little meaning for the provinces. When one considers the way in which price levels have been increasing in recent years, and the implications that these increasing price levels might have for fiscal policy and governments, I think it will be conceded that it was necessary to raise the figure to the 100 per cent level.

I note, as well, that progress has been made in recent years in developing a more equitable revenue base in calculating equalization payments. Mr. Speaker, I could go into details which are of concern to many, but I will not do so tonight. There are a couple of points to which reference should be made. The first and most important is that in any calculations of revenue base or source for provinces it is absolutely necessary in today's situation to include municipal revenues in the calculations. This is particularly important at the present time because in a number of provinces shifts are taking place with regard to responsibilities for various functions of government vis-à-vis the provinces and municipalities. Indeed, proposals have been made by various provincial governments to shift the burden of financing certain functions from one level of government to the other.

• (2150)

In my own province of Saskatchewan, the provincial government presently in power, a New Democratic Party government, put forward as one of its major election planks that it would take steps to ensure that some of the burden of financing education would be lifted from property taxation and transferred to provincial sources of revenue. I think the point is very well made, as it has been made on a number of occasions in debating this issue, that unless you include municipal revenues the provinces will be penalized under the present formula if they take steps which result in the type of shift they wish to carry out.

There are a number of other problems with regard to revenue sources that should be noted. One of the items in the definition of revenue sources refers to succession duties. This is a rather difficult and ticklish problem. The federal government has stepped out of the estate tax field and has left this area open to the provinces. Three prov-

inces already have a succession duty plan in effect—British Columbia, Ontario and Quebec. Six other provinces now intend to enter the field—Saskatchewan, Manitoba and the four Atlantic provinces. This leaves only the province of Alberta without any sort of succession duty plan.

The question I want to put to the Minister of Finance (Mr. Turner) is this: In the situation that Alberta is not going to be imposing any sort of succession duty, will that province benefit in any way from the calculations made under this act? I hope the minister will deal with this matter when he closes the debate.

A number of other concerns have also been expressed in past years in defining provincial revenues with respect to resources. I would appreciate hearing from the minister what progress has been made in this field and whether the provinces are satisfied with the new formulas for calculating revenue resources. This is particularly important because some provinces, as a matter of policy, have decided to collect more of their revenue from resource royalties and other forms of levies. This is equalized in the calculations that are worked out. Of course, there is no problem. For a long time there was a problem which was particularly serious for the province of Saskatchewan, for example. I am not sure from the wording of the bill that this is the present situation.

There is one other area I wish to deal with tonight. It is related to our concern about this act, although in some respects it may go beyond the immediate terms of the bill. It has to do with the future of federal-provincial health programs. I understand that at the present time negotiations are under way between the federal government and the provincial governments to change the formula for making payments to the provinces under hospitalization and medicare programs. I note in the bill before us that provision is made for continuing the federal hospitalization act for another five years. Under the terms of the bill, I am not clear whether it will be possible to change the formula for making payments. Nevertheless, I think there is an area of concern here.

It is not quite clear from the proposals that I understand the federal government has placed before the provinces whether in the long run it wants to opt out of these programs; whether it wants to get out of the federal medicare and hospitalization programs. No doubt the government is concerned about the very high rate of growth and cost of these programs.

Mr. Douglas: Who isn't?

Mr. Burton: As the hon. member for Nanaimo-Cowichan-The Islands says, "Who isn't?" I have before me a speech delivered recently by the minister of public health of the province of Saskatchewan in which he expressed a great deal of concern about the increase in health costs. With regard to the hospital service plan in Saskatchewan, the medical care insurance plan, he points out that in 1968-69 the total cost for these two programs was $96 million. For 1971-72 the figure is $132 million, a growth of 37.5 per cent in something like three years. Certainly this is a cause of concern to all governments involved.

In dealing with this problem we have to make sure that the federal government is not taking an approach of just opting out or trying to decrease the contribution it makes to these programs without ensuring that the provinces have adequate fiscal capacity to carry whatever burdens they will have to carry. We need a combined effort on the part of federal and provincial jurisdictions to ensure that some controls are placed on the cost of these programs. At the same time we must ensure there is no decrease in the quality of health care provided and, in fact, that there is an improvement in their quality. This can be done because it has been shown in a number of our health programs that new approaches are possible. There is less emphasis on curative procedures and more on preventive programs. There is not as much need for straight hospital care. It is possible to introduce a variety of approaches that can very well bring about improvements and the quality of care.

I suggest this could be best carried out if the federal government made it quite clear that it was willing to go along with the provinces all the way in introducing improvements in their health programs, helping them adequately to combat a problem we all face in trying to deal with the situation of the growing cost of programs in this area.

There are other remarks I would like to make on this bill; I therefore ask if we can call it ten o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

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

TRANSPORT—OMISSION OF LACHINE CANAL IN TAKEOVER BY DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Mr. Raymond Rock (Lachine): Mr. Speaker, during the question period on Wednesday, February 23, I asked the Minister of Indian Affairs and Northern Development (Mr. Chrétien) the following question:

> Why was the Lachine canal not included in the takeover of historic canals and given national park status?

The minister was unable to answer because of Mr. Speaker's ruling. Therefore, I raise the subject matter of the Lachine canal at ten o'clock this evening. On February 22, the Minister of Indian Affairs and Northern Development announced that eight canals with important historic links had been transferred to the conservation program. In other words, eight canals were given national park status and a higher recreational and tourist potential. These were the Rideau canal built in 1832, the Trent canal built in 1833, the Murray canal built in 1889, the Ste. Anne canal built in 1843, the Carillon canal built in 1833, the Richelieu canal built in 1849, the Chambly canal built in 1843 and the St. Peter's canal built in 1869.

I welcomed this announcement. It is wonderful. It makes me very happy that the government made the decision to preserve these historic canals and create a national park system because I asked for this many years ago when Mr. Pickersgill was minister of transport. How-

ever, what concerns me is that the government neglected to include the first canal built, the Lachine canal.

• (2200)

The entrance to the Lachine canal fronts the city of Lachine and the area in which the massacre of Lachine took place. It is from here that LaSalle left to carry out three of his explorations. All voyageurs going west passed through Lachine. The first attempts to build the Lachine canal took place as far back as 1670 and continued until 1733 when the first canal was completed. Almost a century later, between 1821 and 1824, a new Lachine canal was built—ten years before the Rideau, Trent and Carillon canals and 20 years before the Richelieu, Chambly and Ste. Anne canals.

Is the government aware that the city of Lachine has itself been maintaining a 3,000-foot section of the second Lachine canal, the oldest in Canada, and that on its shore the former Hudson's Bay trading post still stands? The building has not been designated as an historic site; it should be converted into a museum by the federal government.

The government hired the firm of Claude LaHaye and Associates to study the future role of the Lachine canal. After a complete and thorough study this firm recommended that the canal should be used for pleasure craft and that the east end be reopened. The government made an error when it sold the Soulanges canal for one dollar to the province of Quebec. Let us not make a similar, tragic mistake.

I believe that the Lachine canal, the Soulanges canal and the Cornwall canal should be included in the national parks system and operated by students during the vacation season. This would provide more jobs for students during the summer months while at the same time allowing pleasure craft under 20 feet in length to enter the heart of the city of Montreal. Such craft are at present restricted by the Seaway regulations. It would give an opportunity to the people of Montreal, particularly to those living in St. Henri, Point St. Charles, Ville Émard, LaSalle, Ville St. Pierre and Montreal West to own pleasure craft and to build marinas. They would even be able to enjoy skating in the winter time as we do here on the Rideau canal.

I ask that the LaHaye report be referred to the Standing Committee on Indian Affairs and Northern Development for immediate study and that the following recommendations made by LaHaye be immediately adopted:

It is strongly recommended that the St. Lawrence Seaway Authority make representations to the Department of Regional Economic Expansion to conduct an over-all study of recreation in the Montreal region. The development of the canal and its immediate surroundings should form an integral part of this study.

Mr. Speaker, the government recently announced a program for the relocation of the E. B. Eddy Company's operation in Ottawa at a cost of $29 million. Yet the historic Lachine canal, which could become a viable pleasure craft route into the centre of Montreal, with an important tourist potential, is not included in the national parks scheme. It is an insult to the population of Montreal to see so much done along the Rideau Canal parkway while the Lachine canal remains a dump due to the policy of the St. Lawrence Seaway Authority. For further information I would refer hon. members to the speeches I delivered on January 9, 1967, on October 19, 1970, and February 21, 1972, as recorded in *Hansard*.

The Lachine canal is historic. I have prepared a short history on the Lachine canal to prove this point and copies are available to any person requesting one. The Lachine canal should be given national park status and be transferred immediately.

Mr. Allen B. Sulatycky (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, the representations of the hon. member for Lachine (Mr. Rock) regarding preservation of the Lachine canal are well known. He spoke in this House in 1967 and in 1970, and he mentioned the canal most recently last week on the first day of the debate on the Throne Speech. I know that in the last few days he has been pressing his case in every quarter he can find. He has distributed copies of his very well-prepared brief to all members of the Standing Committee on Indian Affairs and Northern Development and I wish to compliment him on a fine piece of work.

The historic past of this canal has been linked with the history of the Lachine area for nearly 250 years. It was indeed this great history which first led to the study of this canal for possible transfer to the Department of Indian Affairs and Northern Development, for preservation. However, detailed study of the canal revealed that it had been extensively altered on at least four occasions including a complete reconstruction at the turn of this century. These changes have been so great as to preclude any possibility of restoration to the earlier historical configuration. The cost of such work, if it were attempted, would be prohibitive.

As well, it was noted that the canal is still used for some commercial activity, although it is not completely operational as were the other canals which were transferred. As a result, it does not offer the same scope for public use as a recreational area. For these reasons, it was decided that the Lachine canal could not be included in the transfer which has just been completed.

REGIONAL ECONOMIC EXPANSION—REQUEST FOR ORGANIZATIONAL MEETING OF STANDING COMMITTEE

Mr. James A. McGrath (St. John's East): Mr. Speaker, the statement made in the House today by the Minister of Regional Economic Expansion (Mr. Marchand) that the offer to Bélanger Limited, made, accepted and announced in March, 1971, has now been cancelled confirms my repeated claims that the figures of expected job creation quoted by the minister are grossly misleading. In this regard I am certainly grateful to the minister for this admission.

In this particular case a year would have passed between the initial publication of jobs to be created and the announced cancellation. This case is not at all unusual, however. The figure of an estimated 51,281 jobs to be created from DREE grant offers which the minister is quoting currently includes thousands of jobs which will never be created. The offers which were to have created them will be cancelled in future months or the firms will go bankrupt.

I might say there is considerable concrete evidence to support this charge. First of all, if the offers announced by the end of 1970 had resulted in the number of jobs predicted for them, 18,537 jobs would have been created; 4,454 of these jobs have vanished because of withdrawn or declined offers or bankruptcies. Applying this proportion to the total number of expected jobs announced since the beginning of this incentives program, it can be predicted that at least 13,500 of the jobs announced to date will have been lost by the end of this year.

The so-called net expected job total used by the department represents the subtraction from the total announcements of only the 5,095 jobs lost through withdrawn or declined offers revealed thus far. This procedure results in an overestimation of approximately 8,400 "expected jobs".

• (2210)

In this particular case we were able to expose the minister, but how many more offers have been announced which later have been withdrawn or cancelled secretly? How many hundreds of workers have been laid off by firms subsidized by DREE or by other firms unable to compete with those subsidized by DREE?

Second, in DREE's 1970-71 annual report released two weeks ago the number of jobs estimated from grants under the former Area Development Incentives Act is 22 per cent lower than the number claimed in the report issued last year: 12,264 expected jobs have been lost. This, again, demonstrates the misleading use made of these "expected job" figures by the department.

I call on the minister to stop misleading the public and this House with his talk of estimated jobs. I call on him to reveal the number of jobs actually in existence as a result of the $244 million which this government has paid out in incentives grants to firms since 1968. The minister refuses to talk of the actual total of jobs created; he talks only of imaginary expected jobs.

But there is a further issue: I contend that the minister, in his answer to the member for Lanark-Renfrew-Carleton (Mr. McBride), misled the House since the minister himself admitted outside the House that he had received notice of the question. In other words, it was a planted question designed to get the hon. member for Lanark-Renfrew-Carleton off the hook politically.

What happened between that day early in 1971 when the acceptance of the offer was announced with great fanfare and February 11, 1972—a year later—when the offer was secretly withdrawn? Why did this firm decline what amounted to an outright gift from the federal government? Was it because of the political consequences to the Liberal party in Lanark-Renfrew-Carleton which would flow from the closing down of the Findlay plant, with a loss of 200 jobs in Carleton Place? This would appear to be the case.

Only the minister can get the record straight, and I call on him now to do so. I realize he cannot be expected to do so in the three minutes that he has at his disposal during this adjournment debate, but he can do so, as we have repeatedly asked him to do so, by making a statement on motions which would have to stand up to the scrutiny of the opposition parties in the House.

[Mr. McGrath.]

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, I feel that the debates in this House can only bear fruit if all the members of the opposition as well as government members at least accept the facts, especially those that are known, that are public knowledge.

The hon. member for St. John's East (Mr. McGrath) asked that a debate be held this evening on the matter of the Bélanger-Tappan Ltd. Plant, and more specifically on the closing down of the Findlays Ltd. Plant. He has spoken of anything but that; in other words, he attempted to give statistical interpretations. I have absolutely no intention of discussing the matter in the few minutes I am allowed.

I say simply and maintain, Mr. Speaker, that if the type of question that was brought up tonight could be regularly accepted in this House, then the institution would no longer have any meaning.

Mr. Speaker, this is the fourth time since Monday that I have stated in the House that never has a grant been made to Bélanger-Tappan Limited. Never, at any time! The hon. member has reiterated the same assertion, that I could sum up this way:

[*English*]

The hon. member for Lanark-Renfrew-Carleton (Mr. McBride) on Monday last referred to a grant paid to the firm of A. Belanger Ltée. The hon. member for St. John's East (Mr. McGrath) knows very well that no grant was ever paid. He said that because he knows very well that some newspaperman would put it in print. That was his only reason. I do not see why he insists. He might interpret these statistics as much as he wants; I do not mind.

[*Translation*]

That is his business. Let him make his interpretations and I shall make mine. That is the normal play of democracy. But that he should systematically make a statement contrary to facts and continue to assert it, I consider then he is destroying in the process something more serious than the little cause he wants to defend, and that is what I cannot admit.

If the hon. member for St. John's East says there will not be as many jobs created as the minister claims, well, I can't swear to it on the Bible. I can only interpret, as he himself does. On that point, Mr. Speaker, I accept the debate, but on the other point I reject it. It is not proper either for those involved, for the government or for the opposition. Why waste the time of the House this evening saying such things? The hon. member is upset because the hon. member for Lanark-Renfrew-Carleton (Mr. McBride) gave me notice of the question. But, Mr. Speaker, it is common knowledge that even opposition members give us notice of some questions they intend to put. In fact, it even happened to the hon. member for St. John's East. What is dishonest about that?

What matters is whether the reply is right. There is only one simple reply: no grant has been given; the hon.

member just refuses to face the clear fact that no grant has been awarded and that consequently he cannot make political hay of that issue.

The Acting Speaker (Mr. Laniel): Order, please. The motion to adjourn the House is deemed to have been adopted.

[*English*]

This House stands adjourned until tomorrow morning at eleven o'clock.

Motion agreed to and the House adjourned at 10.19 p.m.

HOUSE OF COMMONS

Friday, March 3, 1972

The House met at 11 a.m.

HOUSE OF COMMONS

ACTION OF PROTECTIVE STAFF RESPECTING DELIVERY OF CERTAIN DOCUMENTS TO PRESS GALLERY BY MR. ROGER JAY

Mr. Speaker: Hon. members may be aware of the report that appeared in this morning's *Globe and Mail*—I believe the matter was also referred to during the CBC national newscast this morning—having to do with an incident which apparently occurred yesterday involving Mr. Roger Jay, communications officer for the Union of Ontario Indians, when he was delivering certain documents to the House of Commons. It was suggested in the press report and newscast that the gentleman had been treated unfairly in that certain comments had been made by the chief of the protective staff of the House of Commons. I might say I had a conversation this morning with the Sergeant-at-Arms who is responsible for the administration of the protective service. Later in the day he will give me a complete statement in regard to the matter and I will immediately report to the House.

I might say in a preliminary way that Chief Syms has given the assurance that he did not at any time pass any comment or judgment in relation to the contents of the statement proposed to be delivered. I want to assure hon. members, in any event, that I will certainly, on behalf of the House and on behalf of the staff of the House of Commons, extend apologies to this gentleman if in any way we have been at fault. Whether we are or not, we still express regret if any inconvenience was caused to this distinguished person who was here on official business and had every right to call on the press gallery as he proposed to do.

• (1110)

I think it would be unfair to our staff and to the chief if I said more until a formal report has been received which I will pass on to the House later today.

ROUTINE PROCEEDINGS

B.C. INDIAN LAND QUESTION BILL

PROVISION FOR RECOGNITION THAT ABORIGINAL AND HEREDITARY OWNERSHIP NOT EXTINGUISHED

Mr. Thomas S. Barnett (Comox-Alberni), for Mr. Howard (Skeena), moved for leave to introduce Bill C-166, respecting Indian lands in the province of British Columbia.

Some hon. Members: Explain.

Mr. Barnett: Mr. Speaker, the purpose of this bill is to give parliamentary recognition to the historical fact that the aboriginal and hereditary ownership of the land in what is now British Columbia has not been extinguished. The native Indian people in British Columbia have been concerned about this for many decades and have pressed their case before government without result.

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

ORAL QUESTION PERIOD

POWER

PROPOSED JAMES BAY HYDROELECTRIC DEVELOPMENT—REQUEST BY QUEBEC FOR PERMIT UNDER NAVIGABLE WATERS PROTECTION ACT—INDICATION OF FEDERAL GOVERNMENT POSITION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to direct a question to the Minister of Transport. It relates to the proposed James Bay project and the recognition by the minister, as expressed in the House on February 23, that permits are required under the Navigable Waters Protection Act. Has the minister received any request for such permits? I ask this question in view of the fact that on February 23 the minister indicated he was not sure whether a request had been received.

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, to my personal knowledge we have not received any such request. I will inquire of my officials in the department and advise the House in this regard at the earliest opportunity. I suspect that had any such requests come in, I would have been notified of them.

Mr. Stanfield: Has the minister indicated the position of his department to the province of Quebec, that the department insists upon prior approval of this project with regard to navigable waters? Has the minister conveyed the position of his department with regard to the Navigable Waters Protection Act to the government of the province of Quebec?

Mr. Jamieson: Once again, Mr. Speaker, I am not sure if this has been conveyed in precisely the manner in which the Leader of the Opposition has put it. Essentially, the Navigable Waters Protection Act works on the basis of an application being filed in the first instance and publicized in the newspapers. It is at that point the application comes forward to us and is dealt with. An interdepartmental committee has been studying this matter and I would imagine the province of Quebec has been advised of the

requirements of the Navigable Waters Protection Act. Again, rather than attempt to speculate I will, with the hon. member's permission, wait until Monday and get a specific answer for him.

Mr. Stanfield: I have a supplementary question for the Acting Prime Minister. In view of the fact there is a ministerial committee or another committee concerned with this project, can the Acting Prime Minister inform the House whether the position of the government of Canada with regard to a permit has been conveyed to the province of Quebec? I ask this in view of the obvious importance that the government of Quebec attaches to this project and the obvious opportunities there are for misunderstanding. Can the Acting Prime Minister indicate whether the government of Canada has conveyed its position on this matter to the government of the province of Quebec?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I am sure the government of Quebec knows the law of Canada with respect to projects of this kind and intends to comply with the law. I am sure the hon. gentleman would not suggest otherwise.

PROPOSED JAMES BAY HYDROELECTRIC DEVELOPMENT—GOVERNMENT POSITION ON HUNTING RIGHTS OF INDIANS FOLLOWING TRANSFER OF LANDS

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, I should like to ask the Minister of Justice whether his department has been looking into the terms and conditions under which these lands were transferred to the province from territorial status in relation to the rights of the Indian population? If so, can the hon. gentleman report to the House as to the position the government is taking with regard to the proposal to develop these areas which are within the traditional hunting and trapping grounds of the Indian people?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, we have been looking into a number of aspects of the legal issues related to this question. As to the specific one referred to by the hon. member, we have been doing some work in the general area. However, I should like to take notice of the precise terms of the question directed to me and see whether there is anything I can usefully report to the House at this stage.

PROPOSED JAMES BAY HYDROELECTRIC DEVELOPMENT—REQUEST FOR ASSURANCE THAT NAVIGABLE WATERS PROTECTION ACT WILL BE OBSERVED

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Acting Prime Minister. In view of the fact that some years ago, at the time of the government headed by the predecessor of the present Prime Minister, the province of British Columbia, presumably in full knowledge of the law, went ahead and constructed a dam across the Peace River in breach of the Navigable Waters Protection Act, thereby causing great environmental damage, will the Acting Prime Minister give an undertaking to the House that the law will in fact be observed?

[Mr. Jamieson.]

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I do not think it is necessary to give any such undertaking. This government is committed to the support of the law of Canada and will support it in this instance. Perhaps the hon. gentleman would like to make some accusations that would clarify the matter.

Mr. Baldwin: What about the Temporary Wheat Reserves Act?

* * *

THE CANADIAN ECONOMY

SUGGESTED USE OF FOREIGN EXCHANGE RESERVES TO REGAIN CONTROL OF CERTAIN SECTORS, INCLUDING FOREIGN-CONTROLLED INSURANCE COMPANIES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Acting Prime Minister. In light of a government report released yesterday which revealed that Canada's foreign exchange reserves reached a record level of $5.67 billion in February, and in view of the fact that Canada has a floating dollar and hence does not need these reserves, does the government intend to use part of these funds in order to regain Canadian control of certain key sectors of the economy which are currently dominated by foreign firms?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the hon. gentleman is suggesting we should keep our reserves in other than a liquid form. I would be glad to hear more details of his proposal.

Mr. Broadbent: That is precisely what is being suggested. To be more specific, in view of the report made available from Swiss sources earlier in the week that Canada has the highest percentage of foreign-controlled insurance companies, would the government consider seriously using part of its foreign exchange reserves in order to gain control of these foreign-owned insurance companies in Canada, bearing in mind that these companies are an important source of investment capital which could be used to make more jobs available in this country?

Mr. Sharp: What the hon. gentleman is suggesting is that if we needed these reserves to support our currency we would sell these assets. I do not think that is a very good policy.

* * *

[*Translation*]

HOUSING

POINTE-GATINEAU—LA FERME DU BARON PROJECT—REQUEST THAT OWNERS BE COMPENSATED

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I have a question for the Acting Prime Minister.

I would ask him whether the Canadian government intends to take steps to indemnify house owners of La Ferme le Baron development at Pointe-Gatineau against the many defects and poor quality of the construction.

Mr. Speaker: In my opinion, such a question could readily be placed on the order paper or debated on the adjournment motion. However, if the hon. minister can give the question a brief reply, I shall allow him to do so.

The hon. member might take for granted that due note has been taken of his question.

Mr. Laprise: Ten o'clock, Mr. Speaker.

* * *

• (1120)

[*English*]

AIRPORTS

TORONTO—USE OF NEW FACILITY AS MAJOR TERMINAL FOR OVERSEAS FLIGHTS—POSSIBLE SEPARATION OF PASSENGER AND FREIGHT SERVICES

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I have a question for the Minister of Transport concerning his announcement yesterday of a new airport in the Toronto region. Is it intended that the new airport will be the major terminal for overseas flights or will Malton continue in this role?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, the new airport which I announced yesterday will be an international airport and will in fact be about comparable in size and operation as the one that is now under construction at Ste. Scholastique. As to whether it will be a totally international airport or one with a mix of services, this can, of course, only be determined with the passage of time. But it will have all the necessary amenities and facilities to be an international airport, and we visualize that that would be its main purpose.

Mr. Aiken: Does the development of new airports in the Toronto and Montreal regions indicate a new policy concerning air traffic handling and, specifically, the development of a distinction between passengers and air freight?

Mr. Jamieson: No, Mr. Speaker. I do not expect, at least in the state of the art as it is at the moment, that there would be any such clearcut division. Generally speaking, air freight is carried quite frequently on planes that also carry passengers, and this looks as though it will be the largest part of such movements for the immediate future. So there could be no such distinction. Each of the airports at Toronto and Montreal is designed to accommodate the traffic growth that has taken place and will take place in both these regions.

* * *

AIR TRANSPORT

IDENTITY OF CARRIER FOR POSSIBLE SERVICE TO MAINLAND CHINA

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I have a supplementary question for the Minister of Transport on the subject of air policy. I should like to refer to another airport in Canada, the one at Vancouver, and the prospects for its future growth. Has any decision yet been made as to which carrier will attempt to service mainland China?

Mr. Speaker: Order, please. I suggest that this is hardly supplementary to the question asked about the Toronto airport, but again we can perhaps save time by allowing the question and allowing the minister to reply to it.

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, the procedure, as I expect the hon. member knows, is for the two countries to initiate talks with a view to reaching agreement on a bilateral. I can advise the House that we have in fact advised the government of the People's Republic of China that we are prepared to enter into such bilateral negotiations at any time they are prepared to start such negotiations. In so far as the designation of a carrier is concerned, I think it is common practice to refrain from indicating publicly just which carrier it will be until such time as the bilateral has been negotiated.

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PENITENTIARIES

SASKATCHEWAN—POSSIBLE CLOSING OF INSTITUTION—OPPORTUNITY FOR REPRESENTATIONS TO BE MADE BY THOSE AFFECTED

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, in the absence of the Solicitor General I ask this question of the Acting Prime Minister. It has to do with the special report No. 1 on the design of federal maximum security institutions, which was tabled yesterday in the House. In the report there are recommendations concerning the prairie provinces and the Drumheller, Saskatchewan and Manitoba penitentiaries. One of the recommendations is that the Saskatchewan penitentiary should be phased out and its use as a correctional institution discontinued.

In view of the serious economic consequences that would follow the carrying out of this report in so far as Saskatchewan is concerned, would the government give the assurance that before the theoretical conclusions in the report are carried into effect opportunities will be made available, for example, through a travelling commission, to hear at first hand the views not only of the people affected in the case of the Saskatchewan penitentiary but also in regard to the other two institutions.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the right hon. member for Prince Albert speaks with his customary eloquence, and I am quite sure his views will be conveyed to the Solicitor General who will treat them very seriously indeed.

Mr. Diefenbaker: I appreciate that very much, Mr. Speaker, but eloquence without action on the part of the government would be ineffectual. I am asking for action.

Inquiries of the Ministry

HOUSE OF COMMONS

PROTECTIVE STAFF—INCREASE IN HOURS OF WORK PER WEEK—REQUEST FOR INVESTIGATION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I had intended to put my question to the President of the Privy Council in his capacity as a member of the Board of Commissioners of Internal Economy, but he seems to have departed since I started rising so perhaps I can put it to the President of the Treasury Board who is also a member of that body.

In view of reports that have reached us to the effect that the members of the protective staff have been advised that their hours of work per week are to be increased without any increase in pay, could this matter be looked into and could arrangements be made for His Honour, the Speaker, to include a comment on it when he reports to the House later this day on another matter affecting the protective staff?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I am unaware of the particular circumstances, as I am sure the other commissioners are, but I will be glad to look into this. So far as the second part of the question is concerned, I do not think the hon. member seriously expects the commissioners to examine this question and conclude it by today.

* * *

TOURISM

U.S. INSISTENCE ON INCREASE IN DUTY FREE ALLOWANCE ON GOODS PURCHASED BY CANADIANS—PROMOTION OF TRAVEL WITHIN CANADA

Mr. Mac T. McCutcheon (Lambton-Kent): Mr. Speaker, may I direct a question to the Minister of Industry, Trade and Commerce. With the renewal of the United States-Canada trade discussions expected soon, can the minister say whether the United States government is still insisting on Canada increasing the duty free allowance on goods that Canadian tourists bring back from the United States?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, the negotiations have not resumed yet so it is too early to know what the position of the United States will be on this particular item at that time. Of course, my hon. friend knows that the Americans had identified as an irritant the fact that our allowances for tourists were lower than theirs in the first place, and had not been restored to the level they were in 1962 when we had to change them because of balance of payments difficulties. This was one of the irritants on which we had sympathy for the U.S. case.

Mr. McCutcheon: Mr. Speaker, recent figures indicate a many million dollar deficit in tourist account for Canada last year. In light of this, will the government now take measures so that air travel within Canada can become competitive with air travel overseas—in other words, a program to encourage Canadians to see Canada first?

Mr. Pepin: Mr. Speaker, I want to observe first that the balance in tourism between Canada and the United States is favourable to Canada, so that that is not a good argument to present to the Americans. On the subject of package programs for travelling in Canada as opposed to package programs for travelling abroad, I want to underline the fact that my office of tourism which has now an added domestic orientation has been working diligently in order to bring the first to the level of the second. I will be glad to send a note to the hon. member showing that some progress is being made in that direction. I will give him a copy of it.

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TRADE

CANADA-UNITED STATES NEGOTIATIONS—DATE FOR RESUMPTION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to direct a question to the Minister of Industry, Trade and Commerce. With regard to the discussions taking place, or about to be resumed soon, between Canada and the United States, can the minister say whether a date has been set for the next meeting or, if a date has not been set, can the minister say whether discussions are actively under way with a view to fixing a date for the next meeting at which these discussions will be continued?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): It all depends on how one defines "active". I can just confirm that there is no date fixed for the resumption of negotiations at this moment. As I keep repeating—

Mr. Stanfield: No date has been set for a meeting?

Mr. Pepin: No date has been set for a meeting.

Mr. Stanfield: No discussions?

Mr. Pepin: But contact has been maintained. Our position is along the lines suggested by the hon. member for Peace River who said the other day that we should be tough but soft at the same time. To summarize, we are being reasonable.

• (1130)

Mr. Speaker: Is the Leader of the Opposition rising on a supplementary question?

Mr. Stanfield: Yes, Mr. Speaker. Perhaps the minister can explain how negotiations are continuing when in fact there are no arrangements for meetings or no preparations for meetings.

Mr. Pepin: There are many ways of keeping contact with people if you have some imagination.

An hon. Member: Such as mental telepathy.

Mr. Speaker: Order, please.

MANPOWER

LOCAL INITIATIVES PROGRAM—GRANT TO PROCESS OF THE FINAL JUDGMENT—REQUEST FOR TABLING OF ENDORSEMENTS AND COMMITTEE INQUIRY

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I will resist the natural inclination to deal with the Minister of Industry, Trade and Commerce and put that off until later. I should like to ask the Acting Prime Minister a question. In light of the fact that last Wednesday, as found on page 425 of *Hansard* of March 1, the Acting Prime Minister enthusiastically endorsed a grant of $26,000 under the local initiatives program to The Process of the Final Judgment church and cited several endorsements by the Bank of Montreal, the YMCA, the mental retardation centre, and the Premier of Ontario and in view of the fact a newspaper report is circulating in Toronto today that these organizations, or most of them, have denied endorsing or approving this particular local initiatives program, will the Acting Prime Minister be good enough to secure and table the endorsements in question so that we in the House may have a chance to examine them?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the Minister of Labour will be very happy to deal with this question when he is here on Monday.

Mr. Baldwin: As the Acting Prime Minister was very conversant with the subject on Wednesday I should like to ask him this supplementary question. As this program is costing many hundreds of millions of dollars and as the supplementary estimates were rushed through the Miscellaneous Estimates Committee without adequate opportunity being given to study the matter, will the Acting Prime Minister do his very best to see that this particular issue of the local initiatives program is referred to a specific committee for close examination and study on behalf of the taxpayers of Canada?

Mr. Sharp: There will be the same opportunity to discuss this program as all other programs of the government, and if the opposition is sufficiently diligent in these committees I am sure they will be able to obtain all the information they want.

Right Hon. J. G. Diefenbaker (Prince Albert): Would the Acting Prime Minister, having regard to the details given in the Toronto *Sun*, look into these grants that are being made under the LIP program such as the one to the Rochdale free clinic which provides counselling to deserters and draft dodgers and grants to various other organizations connected with Rochdale which has been described as a refuge for draft dodgers, deserters and drug pushers? Will he have this looked into, because other worthy projects are being turned down and it is difficult to understand why such projects as the Rochdale grants should have been permitted?

Inquiries of the Ministry

CANADIAN PACIFIC RAILWAY

REMOVAL OF STATION AGENTS, SASKATCHEWAN AND ALBERTA—REVIEW OF TRANSPORT COMMISSION ORDER BY MINISTER OR CABINET

Mr. John Burton (Regina East): Mr. Speaker, I wish to direct a question to the Minister of Transport following questions asked previously in the House concerning the decision of the Canadian Transport Commission to allow the Canadian Pacific Railway to close a large number of station agencies in Saskatchewan and Alberta and to allow the establishment of a customer service centre in Saskatoon. Has the minister considered this matter or has it been considered by the cabinet in terms of the government taking some initiative in reviewing or altering the decision rendered by the Canadian Transport Commission?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, the specific answer to my hon. friend is no, it has not been considered in the manner he outlined. I have explained to the House on previous occasions that there is a provision, first of all, for an appeal against this decision which anyone can take if they so desire and, second, that the CTC has indicated that if in any way the railway company breaches the instructions or regulations that were laid down, a complaint can be filed.

Mr. Burton: May I ask the minister whether he has received any indication of appeal procedures or any other actions that will be taken as a result of this decision, and will the minister or the federal government be taking any action in conjunction with any such procedures?

Mr. Jamieson: To my knowledge a formal appeal has not been received. There have been communications or objections of an informal nature but nothing that conforms to the National Transportation Act. Since that is the case, or at least to my knowledge that is the case, the second part of the question is hypothetical until an appeal is received.

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GRAIN

TAKEOVER OF FEDERAL GRAIN COMPANY ELEVATORS BY POOLS—ACTION RESPECTING BOXCAR ALLOTMENT TO ASSURE SUFFICIENT SPACE IN OTHER ELEVATORS FOR DELIVERY

Mr. Cliff Downey (Battle River): Mr. Speaker, my question is to the minister in charge of the Wheat Board and arises out of the purchase of Federal Grain by the Prairie wheat pools and the fact that this consolidation gives one company approximately two-thirds of the country elevator system. Can the minister say what steps are being taken to change the 12-month floating average method, or what is referred to as the Bracken formula, for the allotment of boxcars so that other elevator companies will have sufficient space available to ensure that their customers have delivery privileges and that true competition in the grain buying trade will exist and not just seem to exist?

Inquiries of the Ministry

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, serious consideration is being given to the congestion problems that may arise and at times interfere with the right of the farmer to deliver to the elevator of his choice. There does seem to be general support for the Bracken formula and the 12-month period. However, some other aspects having to do with the congestion problem might well be added to it.

Mr. S. J. Korchinski (Mackenzie): In light of the fact that there is general support for the Bracken formula in normal circumstances and the fact that these are unusual circumstances and also because of the great concern of many farmers to the point where they are cancelling curling games to attend meetings regarding this matter, may I ask the minister whether he would not at this juncture consider the possibility of allowing the free movement of boxcars which would normally have gone to the Federal Grain elevator system so that the farmers would in fact have the right to choose the elevator to which they wish to deliver?

Mr. Lang: As I indicated, I believe there is general support for the Bracken formula, and by that I mean support from all parties concerned. However, there is a view which some hold, as I have just mentioned, of the need for a new method of dealing with the congestion problem. If this can be dealt with it will mean that the farmers themselves will in effect be making the decision on where they deliver their grain and therefore where boxcar allocations go. I hope this can be done at an early date. If the curling games can be taken up again, I would be very glad to attend.

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EXTERNAL AFFAIRS

INQUIRY WHETHER CANADIAN SOLDIERS ARE SERVING WITH BRITISH FORCES IN NORTHERN IRELAND

Mr. Lee Grills (Hastings): Mr. Speaker, my question is for the Secretary of State for External Affairs. It deals with a report I received about a Canadian soldier who is on duty in Belfast, Ireland, and whose mailing address is Camp Gagetown, New Brunswick. Can the minister say whether or not there are Canadian soldiers serving with the British forces in Belfast?

Hon. Mitchell Sharp (Secretary of State for External Affairs): It is my understanding that no members of the Canadian Armed Forces are serving with the British forces in Northern Ireland. There may be Canadians who have joined the British armed forces and are now serving in Northern Ireland, but in these circumstances the Canadian government is not involved. The standing instructions are that if any Canadian soldiers are attached to British units they are not to serve in such places. If there has been some transgression of this rule we will look into it, but so far as we know this is not so.

Mr. Grills: I should like to ask the minister whether or not there are any Canadian soldiers serving in any capacity in Belfast, apart from the British military efforts there?

[Mr. Downey.]

Mr. Sharp: So far as I know there are no members of the Canadian Armed Forces who are serving in Northern Ireland.

Mr. Baldwin: They may be refugees from the tax reform bill.

* * *

• (1140)

FISHERIES

RESPONSE TO PETITION SEEKING REPRESENTATIONS TO UNITED STATES TO PERMIT IMPORTATION OF CANADIAN SWORDFISH

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question is for the Minister of the Environment but in his absence I shall direct it to the Acting Prime Minister who has a stake in this as Secretary of State for External Affairs. Since the Prime Minister and the Minister of the Environment have just been sent a petition asking the government of Canada to urge the United States government to permit importation of Canadian swordfish, can we be advised of the response to this plea?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, it has been received and it is under consideration.

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TRANSPORT

INQUIRY AS TO REPORT ON RAILWAY SAFETY—SPECIFIC INVESTIGATIONS OF RECENT DERAILMENTS

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, may I direct a question to the Minister of Transport. When may we expect the report on rail safety as a result of the investigation undertaken by the Railway Transport Committee some months ago?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I am informed by the Canadian Transport Commission, in response to an inquiry I made which was prompted by the hon. member's question, I believe, a few days ago, that the report is in the process of being completed or written and should be available within two or three weeks.

Mr. Gleave: May I ask the minister whether specific studies or investigations are being undertaken into the most recent causes of derailments in the east and also on many branch lines in western Canada since these affect the safety of the men who operate the trains?

Mr. Jamieson: Mr. Speaker, I cannot say with certainty that investigations into the various accidents to which the hon. member refers have actually started. It is mandatory, however, that an investigation of each rail accident be undertaken as quickly as possible after its occurrence, so undoubtedly all of them will be covered in this way.

[*Translation*]

AGRICULTURE

DAIRYING—REDUCTION OF SUBSIDIES—PROTESTS FROM QUEBEC AND ONTARIO PRODUCERS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, may I ask the Minister of Agriculture a question?

As the estimates for the next fiscal year indicate a decrease of $21 million as compared with last year, could the minister tell the House whether he has received representations from industrial milk production boards in Quebec or Ontario in this respect?

[*English*]

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, it is not clear from the question whether the hon. member is talking about a projected increase in dairy support. If that is the impression he got, it is erroneous.

[*Translation*]

Mr. Speaker: Is the hon. member for Bellechasse rising on a supplementary?

Mr. Lambert (Bellechasse): Yes, Mr. Speaker.

I hope the minister will not take my question as criticism. I simply wish to know whether he has received representations from industrial milk production boards with respect to the reduction that is announced in the estimates.

[*English*]

Mr. Olson: Yes, Mr. Speaker, I have received a number of representations dealing not only with the level of subsidy support but also respecting the price levels and, indeed, a new situation that has to be dealt with, when the market price for some dairy products is substantially above the support levels.

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AIR TRANSPORT

AIR ONTARIO SERVICE—POSSIBLE CHALLENGE TO FEDERAL AUTHORITY TO REGULATE AND LICENSE CARRIERS

Mr. Maurice Foster (Algoma): My question is for the Minister of Transport, Mr. Speaker. In view of the announced increase in Air Canada service within the province of Ontario and recent press reports that the Ontario government is sponsoring or assisting a new air service, Air Ontario, does the government of Canada plan to meet head on any challenge to its authority to regulate and license air carriers within the province?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I would not regard this as what the hon. member has described as a challenge to our authority. As things stand at the present time and as I indicated yesterday, Air Canada will be holding discussions with the government of Ontario with a view to providing more in the way of what might be described as regional or hub and spoke services. Given the existing regional air policy, of course the company to which the hon. member refers would not be entitled to apply for services within Ontario or anywhere else unless that policy were changed.

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

Mr. Peters: A supplementary question.

Mr. Speaker: The Chair will recognize the hon. member for Timiskaming on a supplementary question. I draw to the attention of hon. members that we will be running short of time within five or six minutes. There may be time for that number of questions if hon. members are quick in asking them and we obtain prompt answers from the ministers. The hon. member for Timiskaming has a supplementary.

ONTARIO—ACQUIRING BY AIR CANADA OF TYPE OF AIRCRAFT REQUIRED TO PROVIDE REGIONAL SERVICES

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I should like to ask the Minister of Transport whether he has a report as a result of the investigation he agreed to undertake that Air Canada has available the type of aircraft that could service the area mentioned by the hon. member for Algoma?

Hon. Donald C. Jamieson (Minister of Transport): Yes, Mr. Speaker, I think I can say I have a report in terms of further discussions with the chairman of the board of Air Canada. There are two or three types of aircraft, some already in use in Canada and some not, which are being examined. However, a final decision on this matter is not possible until the route structure has been put together.

* * *

POST OFFICE

RESPONSE BY TREASURY BOARD TO UNIONS' PROPOSALS ON WAGES AND JOB SECURITY

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is directed to the President of the Treasury Board and concerns the negotiations with the postal unions. Has Treasury Board replied to the proposals of the unions regarding wages and security of jobs by either accepting them or making counter-proposals?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I am not sure what the situation is this morning but as of yesterday Treasury Board had not replied nor countered in view of the fact that the unions have not presented any proposals.

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SUPPLY AND SERVICES

METHOD OF AWARDING CONTRACT TO INTERNATIONAL TELEPHONE AND TELEGRAPH TO MECHANIZE MAIL SORTING IN POST OFFICE

Hon. W. G. Dinsdale (Brandon-Souris): My question is for the Minister of Supply and Services, Mr. Speaker. Is the hon. gentleman aware of the $70 million contract

awarded recently to the International Telephone and Telegraph Corporation for the purpose of mechanizing the mail-sorting process in the Post Office Department, and can he assure the House that this contract was awarded on the usual tendering basis?

Hon. James Richardson (Minister of Supply and Services): Yes, Mr. Speaker, I can assure the House that the contract was on the usual tendering basis.

Mr. Dinsdale: In view of the fact that there has been a recent exchange of personnel between the Post Office Department and the corporation at a high level, would the minister look into the matter further and report to the House?

• (1150)

CONTRACT AWARDED TO INTERNATIONAL TELEPHONE AND TELEGRAPH TO MECHANIZE MAIL SORTING IN POST OFFICE—POSSIBLE CONFLICT OF INTEREST

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I have a supplementary question for the Acting Prime Minister. In view of the fact the deputy minister of the Post Office Department is a former president of the International Telephone and Telegraph Corporation and that an important employee of the Post Office is now with International Telephone and Telegraph, would the Acting Prime Minister confer with the Postmaster General, who I understand is holding a news conference right at this moment, so that a statement can be made in the House on Monday correcting any erroneous impression that may be left with the public about a possible conflict of interest in the awarding of this contract?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I think that what the minister has said, that this contract was awarded on the usual basis of tendering, should be sufficient assurance. Perhaps the hon. member wishes to create an erroneous impression, and of course that is his responsibility.

Mr. Nowlan: Without trying to create any impression but hoping that incorrect impressions can be clarified and knowing full well that some employees have changed positions between International Telephone and Telegraph and the Post Office, will the Acting Prime Minister at least confer with the Postmaster General to ensure that there is no potential conflict of interest in the award of this $70 million contract?

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EXTERNAL AFFAIRS

NEGOTIATIONS WITH UNITED STATES ON RENEWAL OF LEASE COVERING AMERICAN AIR FORCE BASE, GOOSE BAY—POSSIBLE CANADIAN FORCES BASE

Mr. Ambrose Hubert Peddle (Grand Falls-White Bay-Labrador): Mr. Speaker, my question is for the Secretary of State for External Affairs. In view of the fact the present lease covering the United States Air Force base at Goose Bay expires in December of this year, can the minister advise whether negotiations for the renewal of this lease have commenced, and when does he expect to make a statement to the House in this regard?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, negotiations have begun and when they are completed a statement will be made.

Mr. Peddle: I have a supplementary question for the Minister of National Defence. Can the minister tell us briefly whether the establishment of a Canadian Armed Forces base is contemplated in the Goose Bay area?

Hon. E. J. Benson (Minister of National Defence): Mr. Speaker, as the Secretary of State for External Affairs said, negotiations are taking place.

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SHIPPING

INVESTIGATION INTO SINKING OF TUGBOAT, "HARO STRAITS"

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Minister of Transport arising out of the unfortunate sinking of the tugboat, *Haro Straits*, off the coast of British Columbia with the loss of the entire five-man crew. Has the minister ordered an investigation into this accident? If not, will he order such investigation?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I have already initiated such an investigation, the normal kind of investigation that follows a tragic incident of this sort. In this particular case it has been possible to go a little further with the initial stage of the investigation because the towline is still attached to the vessel and we have engaged the services of a submersible so that an on the bottom or underwater investigation can take place. My information is that weather conditions have hampered the investigation in the last two or three days but that it is going ahead as rapidly as possible.

Mr. Douglas: Since the whole question of the towboat regulations and the effectiveness of their application may be a factor in determining the cause of this unfortunate accident, would the minister undertake to have an independent investigation made by knowledgeable people outside the Department of Transport which administers the towboat regulations.

Mr. Jamieson: Mr. Speaker, I believe the House knows from earlier explanations I have made that the procedure followed in all such cases is for an initial investigation to be conducted and, on the basis of that report, I can then decide whether to continue with a more formal inquiry of the nature the hon. member has outlined. Certainly, if the preliminary or initial report suggests that this would be advisable, I would be sympathetic to the proposal of the hon. member.

POLLUTION

RECONSIDERATION OF LEVIES ON OIL TANKER SHIPMENTS TO PROVIDE CONTINGENCY FUND IN CASE OF SPILLS

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, my question is for the Minister of Transport. Is the minister, along with the Minister of the Environment, giving new consideration to the levies regarding oil pollution in the Maritimes, particularly in view of the approach of the provincial governments and others to this question? If so, when will we be hearing about this new consideration?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, there is certainly no consideration being given to the possibility of abandoning the levies. What I have indicated in conversations with various maritime interests, both governmental and otherwise, is that I am prepared to be somewhat more precise than the act requires in indicating the top level of the fund and, once that level has been achieved, how we would propose to de-escalate the payments. I would hope to have a statement on this to convey to interested parties in a few days. I have also indicated my willingness to meet with them.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS ACT, 1972

AUTHORIZATION OF FISCAL PAYMENTS TO AND TAX COLLECTION AGREEMENTS WITH PROVINCES

The House resumed, from Thursday, March 2, consideration of the motion of Mr. Turner (Ottawa-Carleton) that Bill C-8, to authorize the making of certain fiscal payments to provinces, to authorize the entry into tax collection agreements with provinces, and to amend the Established Programs (Interim Arrangements) Act, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. John Burton (Regina East): Mr. Speaker, during my remarks last night I indicated my support, and that of other hon. members of the New Democratic Party, for the principle of equalization. I said that this bill goes a long way towards implementation of the principle of equalization and that we were happy to see the progress, as indicated in this bill, made in effecting an effective equalization plan across Canada. At the same time it must also be said that I am very much alarmed, as are many people, by the prospect of certain proposals which, by one means or another, may undermine the principle of equalization. Any set of proposals which may attempt to declare the principle of equalization as unconstitutional or which may try to destroy the principle will bring about, if accepted, the greatest possible mischief to the well-being of Canada in the long run. Certainly I, for one, want to make sure that all steps are taken to ensure that the principle of equalization is not destroyed or undermined and that this

mischief never comes about. Even though some of the proposals brought forward as alternatives to the present system may be well meaning, I think they are ill-conceived and will not achieve the objectives set for them by their proponents.

Last night in my remarks I also urged the government to take steps to broaden the revenue base in determining equalization payments and to include within the scope of the calculations and the formula used for determining the revenue base the matter of municipal revenues. This is particularly important at this time because shifts in responsibilities with regard to various government functions are taking place as between the provincial and municipal levels of government. A number of developments are taking place in various provinces which contain implications for an adequate equalization plan across Canada.

I am also concerned about the future of our health programs, and especially about federal participation in those programs. It seems to me, on the basis of certain indications which are evident at present, that the federal government is making moves in an effort to opt out of these programs in the long run. The first step in the process, of course, is limiting the federal government's contribution to these programs. As I understand the situation, the federal government has proposed that further increases in federal contributions to health programs, and federal-provincial health programs in particular, involving hospitalization and medical care, should be based upon growth in the gross national product or some other similar indicator.

Actually, health costs at present are growing more quickly than these indicators. Therefore, the government's proposal will leave the provinces holding the bag, so to speak. At the same time I think we should all be concerned about increases in health costs and also remember that we must reorganize some of our health delivery systems in Canada, while making sure at the same time that we do not decrease the quality of health care. Actually, we must take steps to improve the quality of health care across Canada. I suggest that this can only be achieved if the federal government makes it clear that it will go along with the provinces and stand behind the provinces in supporting these programs, both at present and in future.

Today, Mr. Speaker, I want to refer to some further points that are of concern in our consideration of this bill. I wish to make particular reference to some remarks the Minister of Finance (Mr. Turner) made in introducing the bill. At one point in his speech the minister referred to the benefits of stabilization and the changes made in stabilization payments. He said, as recorded at page 435 of *Hansard*:

> Another benefit of stabilization is the help it provides to provinces when they attempt to borrow on international money markets.

The minister's statement, Mr. Speaker, may be perfectly correct. Yet it seems to me that that statement conflicts with the request that the federal government some time ago made of the provinces when it asked them to refrain as much as possible from entering the international money markets in raising money for their financial

requirements. The minister also made the following statement as recorded on the same page of *Hansard*:

> Within this framework of tax harmonization and uniformity, provinces are perfectly free to establish their own rates of taxation. They have been doing so to an increasing extent. This is the real test of fiscal independence and decentralization—the willingness to exercise the responsibility to tax as well as the responsibility to spend.

I must take issue with that statement, Mr. Speaker. Although we may recognize that, technically, within the present restricted framework the statement is accurate, there are also loopholes in it. At present the provinces can be involved in the system of taxation as proposed only if they accept the basic structure proposed by the federal government with respect to tax systems. They can then determine at what percentage level they want to have their taxes. However, they must accept the federal government's basic structure as it has been established. If one province wants to give greater benefits and exemptions to lower income groups, for example, they are not able to do so under the present plan. This is a real deficiency. I recognize that there are complexities in overcoming this problem, but I do not think it is fair to say that provinces are perfectly free to establish their own rates of taxation when they have to conduct themselves within the type of framework that has been imposed by the federal government.

• (1200)

The Minister of Finance (Mr. Turner) made another statement which is recorded on the same page of *Hansard*. The minister stated:

> The present bill would also empower the federal government to collect, on behalf of Manitoba, Saskatchewan, and the four Atlantic provinces the succession duties which they have proposed. I want to emphasize that these provinces have made the decision to rejoin Ontario, Quebec and British Columbia in the succession duty field entirely on their own. We have had no part in their decision and have agreed to assist in collections only in response to their urgent requests to us.

That is a nice way for the minister to wash his hands of the entire area of succession duties, as the provinces are now taking them up. The federal government must take primary responsibility for this development. In fact, it was the federal government that opted out of the estate tax field in the income tax bill which was passed in the last session. The federal government must assume primary responsibility for the many problems that are going to arise with regard to the entire matter of handling estate and succession duties. In many cases, the provinces have no choice but to enter this field for purposes of obtaining revenue and so on. In fact, the federal government has recognized this in the definition of revenue sources, since they have included a reference to succession duties in the formula. The federal government has done a great disservice to Canada by opting out of the field of taxation of estates or any form of imposition of succession duties. One way to keep this country together, about which the government claims it is so concerned, is to ensure that there is one levy across Canada with regard to taxation of estates. That levy can most properly be imposed by the federal government.

Many inequities will very shortly develop. The new situation is such that nine out of 10 provinces will be in the

succession duty field. The province of Alberta thinks it will get away with something by staying out of this field. In the long run, it may find that it will be faced with some serious problems. What is the situation with regard to some cases? In recent months some very well known and distinguished Canadians have passed away, leaving large estates. They happened to live in the provinces of Ontario and Quebec. Under the new plan, those provinces will be the sole beneficiaries of most of the succession duties of the estates of these people. In some cases these individuals gained their wealth and financial resources by carrying on business activity all across Canada, not just in the particular province in which they lived.

If the federal government is really concerned with the principle of equalization as a means of keeping Canada together, it has a duty to take the initiative and once again re-enter the field of taxation of estates by imposing an equitable succession duty, the revenue from which could be distributed among the provinces on an equitable formula. The only type of equitable plan in the long run will result from the federal government accepting its responsibility in this field.

I want to associate myself with the remarks of the hon. member for Waterloo (Mr. Saltsman). He stressed the importance of the equalization of transportation costs in Canada in the future. This is one of the thrusts that should be developed in federal policy in the coming years. Moves toward equalization of transportation costs would do a great deal to keep Canada together. This one step would do more to eliminate regional disparities in Canada than the millions of dollars which the federal government is handing to private industry and private business. Transportation costs is one of the major factors contributing to regional disparity in Canada at the present time.

I suggest this factor is important in relation to some of the comments made recently by the Minister of Industry, Trade and Commerce (Mr. Pepin) when he indicated he and his department are working on an industrial strategy for Canada. If the benefits of this new industrial strategy, whatever it is going to be, are to be equitably distributed across Canada, it will be necessary to ensure there is an equalization of transportation costs. With the technology and economics of the operations of many industries in Canada today, if we allow the present inequitable transportation cost structure to remain, many parts of Canada will be left out in the cold when this new industrial strategy unfolds.

While a good many aspects of the bill before us are concerned with economic measures and financial aspects of the operation of government, there are some features which deserve attention. Under this bill there is another five year extension of the Hospital Insurance Act, the Blind Persons Act, the Disabled Persons Act, the Unemployment Assistance Act and the Canada Assistance Plan. They are simply being extended for another five years. It is not clear whether there will be any changes or improvements in these programs. I certainly feel we should give them some consideration.

Today I would like to mention two particular areas which I feel should be kept in mind. First, I want to make particular reference to the Blind Persons Act. This is a selective program to assist people with a particular prob-

lem in life. It is not the type of selective program that tells the people concerned that they will receive more favourable treatment than other groups in society. Under the terms and benefits of this act, blind people today are in a selective unfavourable position. It is a disgrace that we in Canada have been so niggardly in our assistance to the blind people in this country. I hope the federal government will take some initiative to improve the level of assistance provided to this group of people.

I also note that the Canada Assistance Plan is to be extended another five years. There are many worthwhile features in the Canada Assistance Plan in terms of the federal government's contribution to this program. There are deficiencies as well. I wish to make just one comment in this regard. That is to take note of the recent growth of unfavourable comment in Canada about welfare programs in general. There seems to be a mood and feeling developing in Canada that there are many thousands of bums, people who are too lazy to go out and work and so on. They feel they are simply getting along on the Canada Assistance Plan benefits and that the whole program is a shambles. I suggest we all have to recognize that some problems do exist. We all recognize that there are new life styles and new life patterns developing in Canada. These are producing problems which have not been totally taken into account in the programs as they have been developed in this area to date.

• (1210)

But if we concentrate our attention in this area without reference to those who have a justifiable claim to assistance we are doing a disservice to many thousands who are in dire need. A good case could be made out for a better deal for many who are presently existing on welfare benefits under the Canada Assistance Plan and various provincial plans. We need to keep in mind our responsibility as a nation to help those who are not able to help themselves adequately. It may be we are devoting insufficient attention to the requirements of many thousands who are living in unfortunate circumstances and who have a justifiable claim for assistance under these programs.

The government and its officials will feel a justifiable sense of accomplishment with respect to the bill now before us. There are useful items in it. Some progress has been made in implementing the principle of equalization though much work remains to be done. I certainly hope we shall see more progress in the coming months in dealing with some of the shortcomings which have been pointed out in the course of this debate.

Mr. Paul St. Pierre (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, this is not the type of speech I prefer to make in this House or anywhere else for that matter. I intend to deal with some of the less lovely aspects of political life. I am dealing with the subject of irresponsible statements made by some British Columbia politicians who are in a position to know better and who are, to put it plainly, making pronouncements aimed at showing that French-speaking Canadians are being favoured by the present federal government.

Before going further, I should like to say that the remarks I intend to make are not directed against members of the British Columbia Legislative Assembly whose ridings are in my federal constituency of Coast-Chilcotin, namely, Alex Fraser of the Social Credit party, the member for Cariboo; the Hon. Isabel Dawson, Minister without Portfolio, the member for Mackenzie; Bill Hartley of the NDP, the member for Yale-Lillooet, or Alan Williamson of the Liberal party, the member for West Vancouver. I am personally acquainted with these four people and I know that the type of campaign of which I am speaking would be beneath their dignity. As for some of the other members of the British Columbia Social Credit party, if the cap fits, let them wear it. But they should not think that because some of their wild statements are not always promptly rebutted here they have gone unnoticed. They are not unnoticed. There are letters. There are meetings arranged but never held. There are public statements. And they are on the record.

In this bill we are dealing with an idea which is fundamental to a federal state. Nothing could be more so. No nation can exist without brotherhood, without sharing and without recognition of the basic principle that the poorer sections of the nation shall be helped by those which are wealthier. There is nothing unfamiliar about that idea, whether we look to Yugoslavia or Switzerland or to a score of other states. And the complaints which arise in connection with redistribution are familiar enough, also.

I had the privilege during the recess of sitting in the famous mother of parliaments in Westminster. On the day I happened to be there, the British minister of trade and commerce was being questioned by the opposition and by members of his own party on his policies. The subject turned to special incentive grants to slow growth areas of Britain, and the familiar complaints were heard. Why is one particular area of Scotland receiving aid while certain areas of Wales or the Midlands are not? The old questions and the old problems. We in this federal parliament are engaged in trying to make some redistribution of the tax dollars of all Canadians in the name of a greater Canada. Skillfully or otherwise, this is what we are attempting to do. I am one who has some doubts about the ways in which federal governments, both this one and its many predecessors, have sought to redistribute the wealth. Also, as a westerner, I have some quarrels with the east. There are many of us at home who have no deep and abiding affection for the Canadian banking system, controlled, as it is, by eastern Canada—surely one of the most conservative and unimaginative banking systems of any vigorous young nation. We do not particularly appreciate the control of many of our companies by boards of directors selected from the east all of whom appear to have snow-white hair and ideas which are very old.

British Columbia is producing some of the wealth which is available for redistribution to the poorer provinces. This is being created back home by people with imagination, drive and energy and we sometimes feel we are doing it in spite of the eastern Canadian majority vote in this federation. But that is not the main burden of my remarks today. The fact remains that some redistribution of wealth is fundamental to the very existence of Canada. Indeed, the principle applies even within provinces. In the Province of British Columbia wealth tends to concentrate in the City of Vancouver. Provincial governments over the

decades have ensured that some of this money is spread abroad to less developed areas of the province.

In any case, the Minister of Finance (Mr. Turner) set out very clearly, using figures which I truly hope the newspapers of British Columbia will relay to their readers, the facts about the present redistribution system and its true proportions. Mr. Speaker, I am afraid I must deal openly here with a campaign which is being carried on by some people designed to convince the public that these transfers of money are not really from the richer to the poorer provinces but from the English-speaking provinces to the French-speaking province of Quebec. Nothing could be more divisive or unfair or damaging. Here today I should like to pass on a few balsawood cannonballs to any at home who wish to pursue this little game.

To illustrate my point, I have here some figures concerning the DREE program. They concern the grants made available under this legislation up to November 30, 1971, the latest date for which figures are available. They show that Quebec got by far the largest share of these grants—$86,299,232. Ontario received only $19,147,632, and British Columbia a mere $2,719,263. Now, any who wish to pursue the anti-French campaign in British Columbia are welcome to use those figures. However, those same people should not read any further in the *Hansard* report of this speech. They should confine themselves to the figures I mentioned a moment ago.

• (1220)

A misleading campaign of this sort is dependent on the suspension of curiosity on the part of the listener. I say this because the figures I quoted compare grants province by province, not person by person. To accept the proposition that Quebec gets the lion's share of these grants, it is essential that the audience never be reminded that Quebec has a larger population than almost all other provinces, not to mention a larger share of unemployment than many.

If we see what these grants amount to on a citizen to citizen rather than province to province basis, an entirely different picture emerges. Let us see what it is. The highest per capita grants go to Nova Scotia at $32.60 per person. The population of the province at the last census was 756,039, and the total grants amounted to $24,547,833. The second largest per capita grants went to New Brunswick, at $29.78 per capita. This is derived from a population figure of 616,788, with total grants of $18,368,467. Third in rank, for some reason, is the comparatively wealthy province of Alberta, one of the have provinces, at $16.40 per capita, grants totalling $23,999,555 and a population of 1,463,203. So far the charge of favouritism to French-speaking Canadians is not holding up very well, is it, Mr. Speaker? However, Quebec, which has a four-to-one ratio of French-speaking citizens, does rank fourth on the list. Industries there have had money made available to them at the rate $14.93 per capita, a little less than half the per capita rate for Nova Scotia. The total grants to Quebec were $86,299,232, with a population of 5,780,845.

I will run through the other provinces very briefly for hon. members. They can do their own arithmetic, but I can assure them that I have checked the figures very carefully. In diminishing order of amount we have Newfoundland with $12.54 per capita, total grants of $6,185,743 and a population of 493,396. Manitoba has $12 per capita, total grants of $11,572,647 with a population of 963,066. Prince Edward Island has $10.25 per capita, total grants of $1,112,727 and a population of 108,535. Saskatchewan has $5.87 per capita, total grants of $5,605,658 and a population of 955,344. Ontario has $2.75 per capita, total grants of $19,147,632 and a population of 6,960,870. Then lastly, British Columbia has $1.45 per capita, total grants of $2,719,263 and a population of 1,873,874.

[Mr. St. Pierre.]

I suggest there is much scope for debate about the picture that emerges here. One might wonder why Alberta, one of the three have provinces, ranks third while the other two have provinces of Ontario and British Columbia are ninth and tenth on the list. Or why the disparity between two neighbouring and very similar provinces, Saskatchewan and Manitoba? But that is not the purpose of these remarks. The purpose is to match the figures against claims that the federal government favours those Canadians who speak French. Let us keep that insinuation out of this debate and, hopefully, out of other political arenas.

To the extent that I can claim to know something about my home province, I want to tell the House that we British Columbians have our disagreements with the east and I suppose will continue to do so until, as is inevitable, the dumbbell shaped economy develops in Canada, as happened in the United States with the relationship of California and New York. But British Columbians in an overwhelming majority do not want to see federalism damaged by the insinuation that there is favouritism that is based upon whether a Canadian speaks French or English. I thank hon. members for their courteous attention.

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my colleagues have dealt ably with many aspects of this important legislation, and I intend to confine myself to one point and one point only. So that the Minister of Finance (Mr. Turner) does not remain in a state of expectancy, it arises from clauses 9 and 10 whereby the federal government, on behalf of certain provincial governments, will collect succession duties under legislation that is still not passed in those provinces.

The federal authority, as I shall prove, has already frozen, in effect, the estates in those six Canadian provinces, and the argument I will be making is the very age-old one of taxation without legislation. It is true that ministers of finance are able to announce tax changes at certain times during the year, such as in their budget speeches, and the hours at which those taxes are to take effect are later given legislative authority.

However, once in a while a storm breaks in this institution as a result of different courses being followed. For example, a present judge of the Supreme Court of Canada, who previously was a Minister of Finance, Judge Abbott, provoked such a storm in the late forties by announcing an important tax change through the medium of radio, an announcement that later became known as the "radio budget". There was some considerable discussion in the parliament of that time as to whether this was the proper course to follow.

But if it is bad to have that sort of thing happening, it is much worse when we are wielding the headman's axe on behalf of other authorities. The Minister of Finance and the Minister of National Revenue (Mr. Gray), whose department is mixed up in this unholy business, find themselves doing this chore on behalf of the provinces, none of whose legislatures, as far as I am aware, have yet passed the necessary legislation envisaged by this bill.

Clause 9 of the bill provides:

Where a province imposes duties or taxes on any legacy, succession, inheritance or gift, the Minister, with the approval of the Governor in Council, may on behalf of the Government of Canada enter into a tax collection agreement with the government of the province pursuant to which the Government of Canada will collect the provincial duties or taxes on behalf of the province and will make payments to the province in respect of the duties or taxes so collected in accordance with such terms and conditions as the agreement prescribes.

Subclause (2) provides that:

The Minister, with the approval of the Governor in Council, may on behalf of the Government of Canada enter into an agreement amending the terms and conditions of an agreement entered into pursuant to subsection (1).

The third subclause then provides that the federal authorities will not be bound by this type of agreement in the case of any death occurring after the year 1974. Already an apparatus has been set up for the collection of succession duties, or for what I call the freezing of estates. At least that is what I called it in a question that I put to the Minister of National Revenue (Mr. Gray) the other day. A procedure has been devised and is being enforced by the banks, or really in effect being enforced by the local offices of the Department of National Revenue. This has the effect of subjecting the estates of people who have died since January 1 of this year to a new tax that has not yet been sanctioned or passed by any provincial legislature.

• (1230)

Up to the present the federal authority has been the one that has taken any discredit or any blame from people concerned, lawyers acting on behalf of estates, or widows and other beneficiaries of estates who find they are operating in the dark. And darkness is what it is, Mr. Speaker, because none of the legislatures have passed succession duty legislation. There have been press releases issued by the different ministers of finance of the provinces indicating what they will attempt to do in their legislature. But thanks to the public discussion that these releases have caused, for example in my own province of Nova Scotia, there are indications that the original proposals by the provincial ministers will be watered down, and that substantial changes will take place in what they announced just before the end of the past year. As a result, the federal authority comes under fire, and I think just fire, for taking part in such an exercise.

The federal authority opened the way to a lot of goodwill by reason of the very sensible provision it included in the income tax legislation upon which we spent so much time last fall and last December. A lot of good will was created by the removal of the estate tax, because very properly it was recognized that when certain estates were sold a form of capital gains tax would attach anyway. I believe that decision was endorsed by all parties in this House, except perhaps the NDP. I want to be fair, and I believe most hon. members thought the removal of the estate tax was a proper thing.

But no sooner had it cleansed its hands in that direction than the government then bloodied them in another direction, I suppose out of good nature because who wants to collect taxes? It has bloodied them by offering to do this job of collecting this tax on behalf of certain of the provinces. I have said that the machinery has been set up, and I will proceed to outline it for the record. The first part of it is a directive, or really a letter from J. C. Ruddy, Director of the Estate and Gift Tax Division of the Department of National Revenue, directed to the Secretary-Treasurer of the Canadian Bankers' Association.

I presume the purpose of sending this letter to Mr. J. F. Riegert was simply that the Canadian Bankers' Association in turn could pass it along as an aide-mémoire or direction to banks that have to decide what to do with safety deposit box contents when some of their customers die. I will read pretty fully from Mr. Ruddy's letter in order to give the substantial parts of it. I quote:

This will confirm our recent conversation concerning the proposed succession duty Acts of the provinces of Newfoundland, Prince Edward Island, Nova Scotia, New Brunswick, Manitoba and Saskatchewan, which the Department of National Revenue—Taxation will be administering on behalf of these provinces. The Acts when enacted will apply in respect of the estate of any person who dies on or after January 1st, 1972.

Mr. Ruddy is not a member of any provincial legislature that I know of, and it is pretty obvious that he is taking that as a direction from whatever agreement has been made between his minister and the federal government on the one hand, and the provincial ministers of finance and their governments on the other hand.

Prior to the coming into force of the proposed succession duty Acts there will, of course, be requests from executors, beneficiaries, or their representatives of the estates of persons who die after 1971 for the transfer or payment over of the property of the deceased including the proceeds of life insurance and also for the release of the contents of safety deposit boxes and property held in custody by banks, trust companies and others.

In order to facilitate matters for estate representatives and beneficiaries in these circumstances, until the respective Acts are passed by the Provincial Legislatures and the official provincial consent forms become available, the Department will release assets on request, by way of a letter under the signature of the Estate Tax Auditor of the District Office which will be processing the provincial succession duty return in respect to the estate of the deceased. The amount and number of assets released for any estate however will be restricted.

I ask that hon. members note this sentence very carefully.

—will be restricted to ensure that sufficient assets remain unreleased in order to protect the revenue.

To protect whose revenue? It is to protect provincial revenues, Mr. Speaker.

A specimen copy of the letter (marked 1) which will be used is enclosed for your information.

I now turn immediately to that form letter. It bears the Coat of Arms of Canada. It is typewritten in English on one side and in French on the other, and the English side reads:

Re: Estate of—

And space is left to fill in the name of the deceased. Then, this appears:

Date of death—

And another space. The text reads:

We acknowledge receipt of your recent communication in which you requested consent to transfer assets of the above noted deceased.

On behalf of the Province of . . . , in relation to the proposed Succession Duty Act, as announced on December 29, 1971, we agree to the transfer, delivery or payment over of the following property:

Then, room is left to list the property. If the provinces are not ready with their forms and paraphernalia for the collection of these succession duties, it appears that the federal government has been very quick to get into the field with its own forms drawn up for the occasion. I now quote further from the letter:

The same procedure may be continued as under the Estate Tax Act by an individual or corporation, in transferring, delivering or paying over property of the deceased person situated in Canada or where the deceased was domiciled in Canada any superannuation or death benefits and any amount payable under a policy of insurance, without the Minister's consent providing notice is given to the Department of such payment. The Estate Tax form ET75 (Notice of Payment) may continue to be used for this purpose until the official comparative provincial form is available.

So, while Estate Tax Form ET75 is as dead as the dodo so far as estates are concerned from the first of this year, its soul goes marching on in its use for the collection of provincial succession duties. The letter continues:

The Department would like to have particulars of payments, if any, already made to date in respect of persons who died after 1971.

That provokes the thought that some crusty lawyer acting for an estate may very well ask, "On what authority do you base this sort of request?" At least until the provincial act is in the field, I would imagine that the Department of National Revenue would have to tread pretty tenderly because there is no ground at all on which they can make such a request.

• (1240)

The letter continues:

The release of a safety deposit box or other depository will also be dealt with by the issuance of a letter from the district office concerned. A specimen copy of the letter (marked No. 2) which will be used, is attached.

That one again bears the coat of arms of Canada and the reference to the Department of National Revenue. The reference to the name of the estate reads:

On behalf of the province of . . . , in relation to the proposed Succession Duty Act as announced on December 29, 1971 we agree to the above named Custodian or Lessor permitting the following property to be withdrawn or delivered to the Executor, Administrator, the Legal Representative or his authorized attorney or agent:

Then, there is a blank space which can be filled in with the material to be released.

The letter continues:

The depository, usually of course a bank or a trust company, is asked to continue as now for Estate Tax purposes to send a certified list of the contents of the depository to the relevant district taxation office, that is the office where the return in respect of the estate of the deceased will be filed. Upon receipt of this list the matter of the release by the issuance of the above mentioned letter will be promptly dealt with by the District Office receiving it.

The Estate Tax procedure in these circumstances of requiring consent (form ET 76) to the preliminary opening of a safety deposit box or other depository to withdraw documents or of consent (form ET 77) to the opening of a safety deposit box or other depository for the listing of contents will be dispensed with until the date when the provincial acts are enacted. There may be withdrawn at any time without consent the following:

1. Will or other testamentary writing of the deceased.
2. Birth certificate.
3. Marriage licence.
4. Marriage contract.
5. Title deed, lease, agreement for sale or deed of mortgage or hypothec relating to real property.
6. Any deed, record or other document required in connection with the burial of the deceased.

Then, on the final page of his letter, Mr. Ruddy continues:

The district taxation offices of the Department where the respective provincial succession duty returns of information will be filed and processed are set out below. Requests for release of assets should, of course, be directed to the District Office where the return will be filed or has been filed.

Where the deceased died domiciled in the province of	District Office where return will be filed
Newfoundland, Prince Edward Island or Nova Scotia	Halifax, N.S.
New Brunswick	Saint John, N.B.
Manitoba	Winnipeg, Man.
Saskatchewan	Regina, Sask.

The provisions, of course, of the Estate Tax Act do not apply in respect to the estate of any person who dies after 1971 and accordingly the consent requirements of this Act to the transfer of assets do not apply in respect to the assets of any such estate.

The letter is signed J. C. Ruddy, director, Estate and Gift Tax Division.

I put the letter on the record because it may be useful for members of parliament whose constituents are asking about what happens between the first of the year and the time that the six provincial legislatures act, and they may wonder what is involved. I will not claim that it creates all the hardship in the world, because it does provide for the release of assets and in the past there has always been a method of releasing assets so that widows and young people can obtain material from estates. But there might be a hardship should any of the provinces decide to tax estates that are left by one spouse to another. This was the cause of considerable difficulty in the past, but it was removed.

One of the great accomplishments, the only one of which I can think, of the just society was the Estate Tax Act which was passed in 1968. It removed tax from estates passing between husbands and wives. There were many horrendous examples in the past of widows who went practically barefoot because of the enormous amounts of succession duties that had to be paid on their husbands' large estates and the fact that the estates were not in liquid form. That problem was removed by the Estate Tax

Act in 1968, but it could return depending on what type of legislation is passed by the provincial legislatures. However, I will not get into that particular issue. It is the responsibility of these legislatures and I am sure they will fight those issues very capably. What I object to, however, is the fact that the federal authority is moving so willingly into the field. It is strange that they are going into a business that is bound to bring ridicule, hatred and contempt on their shoulders. It is strange to see that sort of thing happen, something which did not have to happen.

In my research into why we should be doing for others what, if we did it for ourselves, would get us into hot water—the word "we" refers to government—I went to the days of Charles I whose famous battle with Parliament over his right to taxation occurred in the seventeenth century. In 1628 the Petition of Right was:

exhibited to His Majesty by the Lords Spiritual and Temporal, and Commons in this present Parliament assembled, concerning divers rights and liberties of the subjects—

To the King's most excellent Majesty: . . . by which the statutes before mentioned, and other the good laws and statutes of this Realm, your subjects have inherited this freedom, that they should not be compelled to contribute to any tax, tallage, aid, or other like charge not set by common consent in Parliament:

Here we have the whole sophisticated apparatus of government moving into the operation of the collection of taxes on behalf of other authorities. We know what happened. Charles I levied a ship tax and eventually, in the argument, the Lords Temporal and Spiritual in the Commons won the battle and Charles I lost his head.

I think there might be a remedy for a situation such as this, namely, to have some provisional type of legislation. This was a point made by Mr. Coldwell, then the member for Rosetown-Biggar in the debate of 1948 on the famous amendment to the Excise Tax Act which caused some stir in that year. What I am trying to say in my participation in the debate is simply that I think it was a wrongful act for a department of government to set itself up to collect taxes for another level of governmental operation without any legislative sanction whatsoever. I do not think there is anything in the law now which would give the Department of National Revenue the right to take the course it has followed. I have made the point as best I can, and I would like to put the minister on notice that when the matter does go to the committee I expect that he, his parliamentary secretary or his senior officials, will have an answer to why this particular course is being followed.

As for the other points of the legislation, I have listened with great interest to the debate here. I would be concerned about the formula, particularly for university educational costs and about whether there is any possibility of getting some adjustment in the Blind Persons Act. I think that is important. They have been sending us petitions for years and it is time we gave these disabled persons a better break. However, Mr. Speaker, that can wait until the bill has received second reading and is studied in committee.

• (1250)

[*Translation*]

Mr. Guy LeBlanc (Rimouski): Mr. Speaker, as it is very close to one o'clock, might I, with consent of the House, call it one o'clock?

[*English*]

Some hon. Members: Agreed.

Mr. Deputy Speaker: Is it agreed that we call it one o'clock?

Some hon. Members: Agreed.

Mr. Deputy Speaker: It being one o'clock, I do now leave the chair to resume same at two p.m.

At 12.54 the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

[*Translation*]

Mr. LeBlanc (Rimouski): Mr. Speaker, I wish to thank you for affording me the opportunity of expressing my humble opinion on the bill now before us.

I have noted that the hon. member for Halifax-East Hants (Mr. McCleave) who has preceded me, has referred to "the so-called just society". I think he should not have used these words because, once uttered, they produce an adverse effect on the people in terms of the ideal which we are all pursuing, including the opposition parties. I believe that when the leader of the Liberal party spoke of the just society a few years ago, he was not promising to create a just society there and then.

I think that this slogan, or better still this motto, was proferred to the Canadian people as an aim which we should all strive to attain not only in the Liberal party and in the government, but all Canadians together. This is why I believe that the hon. member who spoke before me should not follow in the footsteps of others, and ridicule this slogan, at a time when we all need optimism, enthusiasm and motivation to direct our actions.

Mr. Speaker, my remarks will be limited to the two parts of the bill that interest me most and that I consider, in view of our needs, to be two most important, if not the most important part, that is Part I on equalization and Part VI on post-secondary education.

We can all discuss this problem and try to simplify it, but I think we all recognize the fact that it is a complex one and even the experts are not always successful in having us understand what actually is the meaning of equalization payments, of the transfers to the provinces in certain tax fields, and of all other aspects of the taxation problem.

Nevertheless, we all know this is a basic principle of Canada's Confederation. It is one of the corner-stores of Canadian unity and prosperity. It is not enough to say that Canada is a confederation of sovereign states. We must do more than that and I think the introduction of this bill we now have before is one step further in that direction.

It is not enough to say that Canada is a mosaic of ethnic groups; we must act accordingly and this is what we are doing.

There are people, even among foreigners, who will say that Canada is an artificial nation. Legislation such as the one before us help build this nation.

It may be true that Canada is an artificial nation but one must remember that this feature derives from men, that the artificial feature is a superior and transcendent natural feature.

I think equalization is a means of saving our Confederation, of ensuring a decent standard of living for all Canadians and of allowing all of us to live together and avail ourselves of equal opportunities.

The equalization program is being critized by many. People in the Western provinces do criticize it, but I think that in my own province there are people who also object to it, perhaps not with words but with actior

Small groups in my province are trying to prove what little use it is for Quebec to be part of this group of peoples called Canada, and they overlook the equalization system which is designed to assist all the poor provinces which find it hard to keep up with the average level of public services in Canada, including Quebec.

I would like my fellow-citizens to remember the figures that have been quoted occasionally since the beginning of this debate. For instance, when we consider that in 1957-58 federal equalization payments granted to the provinces reached a total of $136 million and that they are expected to reach $1 billion in 1972-73 and $1.5 billion in 1976-77, we cannot help noticing the increase.

As for equalization payments, taking into consideration the percentages and the overall amounts given to certain provinces—Quebec being one of them—they may appear to be very high. If, however, we consider the per capita amount, we can then evaluate those figures more correctly. If we stop to think that Quebec's gross revenues for the year 1971-72 were roughly $2,764 million, as compared to Ontario's $4,291 million and Newfoundland's $168 million, we then realize that federal equalization payments do make sense.

This is why Quebec received, for the year 1971-72, federal equalization payments totalling $446 million, whereas Newfoundland received $110 million.

If we refer to the percentages of their own revenues, they are 65 per cent in the case of Newfoundland, and 16 per cent in the case of Quebec. Consequently, if a province such as Newfoundland had to levy taxes, for lack of those equalization payments, the income tax burden on the citizens of that province would be far too heavy.

All the same, if one remembers the silent majority in Canada, and particularly in my province, one can assume that our fellow citizens are generally satisfied with those measures and are happy to benefit by them.

We are told that those amounts are paid out of the Consolidated Revenue Fund, which would mean perhaps that this bill is not that much unfair to the three provinces living above the average Canadian standard, since those amounts come from the general revenues and the rates, in so far as income tax and other taxes are concerned, seem to me to be the same throughout Canada.

[Mr. LeBlanc (Rimouski).]

• (1410)

As for postsecondary education, it is of particular interest to us in the province of Quebec, at least for the same reasons as the citizens of the other provinces. Whatever may be said about the achievements in the field of university education, until now we have all benefitted from it; it has most certainly given young people, who would not otherwise have gone beyond high school, the opportunity of getting an education that enabled them to live honourably and to work with the rest of their fellow-citizens towards achieving the Canadian ideal.

With regard to the cost-sharing programs that are criticized from time to time—I mean the Canada Assistance Plan from which my province takes advantage, as do all the others—I feel that the advantage, for the provinces, in allowing the federal government to take care of those measures, lies in striving towards greater unity and more efficiency while reducing the work, the administration it entails. I agree with those who speak of encouraging work, especially when they discuss social measures.

Mr. Speaker, I bring my remarks to a close by saying that I support this bill; it fosters Canadian unity and the well-being of all Canadians. All I ask is that the bill should be studied very seriously and passed as soon as possible for the greater good of all Canadians.

• (1420)

[*English*]

Mr. Cliff Downey (Battle River): Mr. Speaker, in rising to speak on Bill C-8, the bill dealing with the equalization payments plan, I, as a member coming from one of the provinces which is a net contributor to the program, cannot argue against the concept of equalization payments. I think there has to be some redistribution of wealth among the provinces if we are to maintain confederation. But the prime area of concern felt by the provinces which are referred to as "have" provinces is directed to such questions as these: where the money is going, whether or not an end can be seen to these equalization programs and whether the money which is being poured into these regions is being used in the best possible manner—whether it is effectively correcting the problems which must be corrected if ever there is to be an end to them.

Over the years there has been a continuing escalation of these payments. In 1970-71, the amount was four times as great as it was ten years earlier. I saw projections the other day which showed they would likely rise to something like $1.5 billion by 1975, a further sharp increase as compared to present payments. When we are considering a subject like this we really need to consider the whole area of taxation, since all this money comes out of common taxes. I realize that politicians will be tramping all over the country in the next few months in connection with the election—many are preparing for it now—and I suppose there are a great many voters who will vote for the man of their choice largely on the basis of the promises he makes and the extent to which he commits himself to various give-away programs. In my view, both the voters and the politicians have got themselves into trouble because of this.

It is not irrelevant to mention in this connection the internal document which was circulated in connection with the affairs of Information Canada. I think it was discussed in the House only yesterday. I read a little footnote in connection with it in the paper the other day; it very well sets out the story of what is happening in the field of government expenditure generally. It refers to the $10.3 million allotted to Information Canada in this year's spending estimates and describes the memorandum as saying that the agency cannot justify its existence on the basis of its record of operations over the past six months. I think it is very good that the department should be looking at its own shortcomings—this is an internal memorandum. The report went on:

The paper, highly critical of the service, was drawn up by the branch's deputy director and was addressed to the director-general. It urged that the branch find new projects to justify its spending in the public view.

So, having been allocated the sum of $10.3 million in the estimates, the people in the branch are now being urged to justify this expenditure in the eyes of the public. In other words, we can expect the staff of this department to be scurrying around seeking other projects. Whether they will be worth while or not I shall not even try to imagine.

Mr. Gundlock: Looking for a place to spend it.

Mr. Downey: Yes. The taxpayers of Canada are sick and tired of this. More and more of them are losing their initiative as each year passes. Fewer and fewer people are willing to work and contribute to the economy. Increasing numbers of people accept the philosophy of working for the government, living off the government, or, in some manner, working government to their advantage so that they may have an easier life. This is the direction in which the philosophy of the country is going and the government is certainly doing nothing to change that situation. If I might say so, it is contributing considerably to encouraging this attitude.

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

Mr. Downey: I shall be glad to do so at the end of my remarks.

What happens in countries which tend to drift into socialistic attitudes? We all recall the time a few years ago when certain Scandinavian countries, particularly Sweden, were held up to us as glowing examples of nations which had solved all their problems as far as business and people were concerned. We were told about the wonderful situation they had created for their citizens. In this connection, I was interested to read an item which appeared in the *Globe and Mail* of March 1 under the heading "Psychiatric report on Sweden's welfare State describes a merciless, unfriendly society." This was a report on mental health and human environment written by Dr. Hans Lohman in Sweden. It describes what happens when people accept the premise that the state will look after people rather than people looking after people. I shall read some excerpts from this report as summarized in the newspaper.

The study points to a vicious circle in which a high rate of economic growth is necessary to pay the cost of looking after those who cannot keep up, but as their number steadily increases a higher growth rate is needed, which only results in more people being unable to keep up—and so on.

The conclusion to be drawn from the report is that a country's welfare can no longer be measured simply by its standard of life, and that Swedes are increasingly sacrificing their mental health for improvements in their material environment.

• (1430)

This article then goes on to relate what is happening to countries that have tried to maintain this vast and all-encompassing social security program, and then says this about the rate of admissions for mental disorders in Sweden:

The latest available figures show that the number of inpatients admitted to mental institutions rose from 73,000 in 1969 to 83,000 in 1970—

This is costing the state $20 a day per patient, which means that over $1.5 million is being funnelled into keeping these patients under psychiatric care in mental institutions. The article continues:

A still greater number of out-patients were given light psychiatric care at public hospitals, while the enormous number who took to alcohol or drugs as a way out are not included in these statistics.

I read that only to show what is happening in countries in which the people depend on the state to too great an extent. Certainly, state welfare is not the paradise that some would lead us to believe.

To get back to the objections that I hear voiced by the people in the "have" provinces of Ontario, British Columbia and Alberta where the equalization payments originate, I may say that when industry is phased out the displaced workers have to be looked after. In many instances they do not want to move to a new community but rather wish to continue their lives in the same area. In this regard, I can think of no better example than workers in the Maritimes. I do not think workers made redundant should have to move to one of the "have" provinces. Indeed, I do not think the "have" provinces expect them to and, as a result, do not begrudge any payments they make under the equalization grants. But what does concern the "have" provinces is that with some families welfare is perpetuated from one generation to another. Families, for four or five generations, live off the largesse of government. This is a big problem and I do not have any easy answers to it. However, I do think that if a man remains unemployed during most of his life, some sort of manpower mobility program should be set up to see that the younger members of his family do move, perhaps to the "have" provinces where they will possibly be able to better themselves.

The subject of transportation has also been referred to in this debate. I agree with those who said that much of the money poured into equalization grants could very well be spent on equalizing transportation rates across Canada. Again with particular reference to the Maritimes, if the freight rates in the Maritimes were equalized with rates elsewhere, farmers in particular would have access to feed grains at the same price as those in the central provinces. They would be able to commence livestock feeding ventures or something of that kind which would enable them to help themselves. The same thing is true of industry. A transportation equalization program would

enable these people to help themselves to a far greater extent than is presently the case. Similarly, it would make industries more competitive and enable many other enterprises to break fresh ground, which at the moment they cannot afford to do.

The hon. member for Coast-Chilcotin (Mr. St. Pierre) who spoke prior to the lunch hour drew our attention to some figures relating to grants under the DREE program. He showed definitively the per capita ratios and pointed out that Alberta was third in the list of recipients of government funds under that program. Although I do not think anyone can argue with the figures that he presented, I do not believe he filled in the whole picture relating to grants. One of the major projects in Alberta that probably accounted for much of Alberta's share was the pulp mill at Grande Prairie. About $6 million was given to the Proctor and Gamble company, and I can only doubt the wisdom of those who made this grant. We all know that pulp is presently at the stage of over-production in this country. Therefore, I see little point in giving $6 million to Proctor and Gamble and closing down another pulp mill in a different part of Canada. As I say, I question the judgment of those who made this decision.

Another complex in Alberta, which may be in the riding of the Minister of Agriculture (Mr. Olson), made an application to set up a hog factory that would produce over half a million hogs a year in the southern part of the province. I must say I can think of no more unlikely place in which to start a hog factory than southern Alberta. A better place would have been in the feed grain area of the province. One can only assume that there are certain political motives behind setting up a hog factory in that area. I also question whether, in view of over-production of hogs, we should have government competing with farmers.

Looking at Alberta in the total picture, I think if all factors were brought into account one would find that Alberta was in a far poorer position than many other provinces. Here again, I refer to the subject of freight rates. We in Alberta pay the freight on our products sent to Ontario and out to the west coast ports. In addition, we pay the producers in those areas for the freight to send their products back to us. In other words, we pay freight both ways. This was not revealed in the figures presented to the House by the hon. member for Coast-Chilcotin.

I can think of many other similar examples. There was a rapeseed processing plant contemplated not too many miles from where I lived which was regarded as a doubtful economic enterprise simply because of the cost of freight. Seed shipped out to the coast or to Ontario carries a freight subsidy. However, if the rapeseed is processed on the spot in Alberta, a different freight rate applies for the end product. On the other hand, anyone who builds a processing plant in Ontario can have the rapeseed shipped to him at the subsidized freight rate. Such a person is in a much better position and more likely to have a profitable operation. These are the things which work against the provinces that are not in central Canada.

• (1440)

I shall not continue much further, Mr. Speaker, but I wish to stress that there is ample evidence to indicate that the whole matter of regional incentives needs review. I cannot see that we are getting the desired results in many of the areas that are the prime recipients of these transfers of money. The people in those provinces which contribute to these funds have a right to an accounting from the federal government on how the funds are being spent. It is true that the federal government can generalize when asked how the funds are being spent, but it should indicate more specifically what the success ratio has been. Funds are being pumped into these areas in ever increasing amounts. The federal government will find itself in a position of great difficulty if any attitude of rebellion appears in some of the contributing provinces, from whose coffers money is taken. This may happen if the federal government does not show more responsibility for the performance achieved from the expenditure of this money.

[Mr. Downey.]

Mr. D. Gordon Blair (Grenville-Carleton): Mr. Speaker, the debate we have been having indicates that there is substantial unanimity about the importance of this measure. There is support for it from all quarters in the House. We have had a certain amount of sniping at the legislation, and some bootlegging into the debate of other questions which we debate here from time to time.

I was born and brought up in the province of Saskatchewan, and I lived the active years of my youth there during the great depression. Like a lot of other people who were young at that time and going to university, the most important event of the day to me was the great imquest conducted into our national affairs by the Rowell Sirois Commission and the publication of its report on Dominion-Provincial relations in 1940. Certainly, at that time in western Canada it appeared as if the terms of confederation had been switched inside out. We were suffering from a great depression, from drought and other factors which made life in Saskatchewan very difficult and reduced the income of the province to minimal proportions. In Saskatchewan, we were also able to see that the benefits of confederation had not spread themselves equally over the country. Manufacturing was centred in eastern Canada.

Mr. MacInnis: Central Canada.

Mr. Blair: The hon. member for Cape Breton says central Canada. But more than that, the head offices of most of the business and financial institutions were in central Canada. In those days we used to speak a lot about the evils of Bay Street and St. James Street, two well known thoroughfares in the cities of Toronto and Montreal. But all through the discussion there was a realization that it was impossible in a country like ours to equalize every economic opportunity, to equalize access to every source of personal or business income. It was quite apparent then, and I think it is still apparent that different parts of this country at different times will achieve differential benefits from confederation. For example, in those days the province of Alberta was almost as badly off as the province of Saskatchewan. It was most definitely a "have-not" province. It is now, as we have just been told by the hon. member for Battle River (Mr. Downey), a have province. I hope this does not change, but these are casual circumstances which can and do change, as our history shows.

What is important is how we respond to the challenge of this basic situation, to the changes that occur, so that at all times in this country there will be some basic equity and equality in the provision of governmental services for our citizens. As hon. members know, from the very beginning of our history there has been continual fighting about the financial terms. The ink was hardly dry on the British North America Act before the cry came up from the distinguished province of Nova Scotia for better terms. In one way or another ever since there has been a claim by one province or another, by one section of Canada or another, for better terms.

As the great report of the Rowell-Sirois Commission pointed out, for many years it was possible for these pressures to be adjusted on a more or less casual political basis. In the early years of this century, the role of government in our affairs was nowhere nearly as great as it is now, and it was possible to make adjustments which were essentially ad hoc, which from time to time quelled the clamour of different parts of Canada. However, this whole operation came apart during the depression. The gimmickry, the jerrybuilt structure of federal-provincial financial relations could not stand the test of the depression which put ever increasing pressures on governments for increased expenditures.

This fact was recognized by the Rowell-Sirois report, and I think it might be appropriate at this time to quote a portion from its main recommendations, Book II, page 269 giving the analysis of this great commission of the essential problem of our confederation. I quote

> At the heart of the problem lie the needs of Canadian citizens. These needs, whether material or cultural, can be satisfied only if all the provincial governments in Canada are in a position to supply those services which the citizen of today demands of them. The ability of provincial governments to meet the demands of their citizens depends in part on the constitutional powers which they enjoy, in part on their financial capacity to perform their recognized functions. The striking fact in the Commission's study of Canadian conditions is that many provinces, whose financial position is not the result of emergency conditions, are unable to find the money to enable them to meet the needs of their citizens. The basic problem before the Commission lies, therefore, in finding a way in which the financial position of the provinces could be improved and assured, without disastrous financial consequences to the Federal Government on whose efficient functioning all provinces are dependent. National unity and provincial autonomy must not be thought of as competitors for the citizen's allegiance for, in Canada at least, they are but two facets of the same thing—a sane federal system. National unity must be based on provincial autonomy, and provincial autonomy cannot be assured unless a strong feeling of national unity exists throughout Canada.

As hon. members are well aware, arguing from that strong premise the royal commission recommended the elimination of all the ancient deals which had been made between the federal government and the provinces, and between the provinces, to hold the financial structure together. It recommended what we have seen develop since the war, a system of payments from the federal treasury which will ensure to people in all parts of Canada a basic common level of governmental services.

• (1450)

At another stage in this report, in commenting upon this recommendation in more detail the Royal Commission had the following to say at page 274, also in Book II:

> ... the Dominion was to pay subsidies in 1867 to enable the provinces to perform the functions entrusted to them without having to resort to oppressive taxation. Under the Commission's proposals the Dominion would pay National Adjustment Grants for precisely the same purpose. It is true that a different measure of the amount to be paid to each province would be adopted now than that which was then considered appropriate. But this difference is more apparent than real, for it arises from the inequalities of wealth which have developed as between the provinces. Equal per capita subsidies did conform in some rough approximation to the fiscal needs of 1867. They would not do so today. The Commission hopes that the method which it has employed for calculating the appropriate adjustment grants will be able to accomplish what the per capita formula was intended to achieve in 1867, for, though the means have changed, the end remains the same, namely the maintenance of provincial governments which can provide the necessary services for their people.

What I have quoted illustrates the truth that everyone here in this House would recognize, namely that nothing has changed in our confederation since its commencement. There was then a recognized need for the federal government to contribute to the revenue of different provinces so as to enable them to provide services for their people. That need has continued down through all the 100 or more years. It continues today, and it is the responsibility of this parliament to respond to that need and to provide legislation and measures which are appropriate for satisfying them.

The hon. member for Battle River (Mr. Downey) who preceded me made a comment which I think must be noted. He said, in effect, that there are taxpayers in some provinces who are paying the shot for other provinces, that the good citizens of Alberta are picking up the fiscal tab for the people of Nova Scotia. Whatever the situation may be in his mind, it is different in reality; it is different so far as confederation and the life of this nation are concerned. There are taxpayers all over this country paying taxes to the federal government, and perhaps most of them feel they are too high.

Some hon. Members: Hear, hear!

Mr. Blair: I knew that I would wake them up.

Mr. Bell: Wake up the minister.

Mr. Turner (Ottawa-Carleton): Which minister?

Mr. Bell: The Minister of Finance (Mr. Turner).

Mr. Blair: The talk in this Chamber about the level of taxes is always very interesting, but the real question is how will the taxes be disposed of by the governments which receive them. It is to this question that I will direct my attention. The suggestion is made that somehow or other we who are taxpayers in Ontario, those people who are taxpayers in Alberta and those who are taxpayers in British Columbia, are paying their money directly to other provinces such as Newfoundland, Prince Edward Island, Quebec, or any of the other provinces, and that there is something illegitimate and improper in that. There is the suggestion that because we live in the three provinces I have mentioned we have some kind of super role of surveillance which providence has cast upon us in respect of the expenditures made by other provinces which receive some of these grants.

I think that it is well at this stage to look in totality at what takes place in this country in terms of all the grants

and all the payments which are made by the federal government to all the provinces of Canada. I refer to a document which was published by the Treasury Board entitled "How your Tax Dollar is Spent, 1972-73" and more particularly to page 31 where a table is set forth showing the estimated federal payments to provinces and municipalities for the coming fiscal year. The totals disclosed in these tables are themselves impressive. In all, when allowance is made for tax abatements, the total amount of federal funds which is payable to the provinces is $5,205 million, which is approximately one third of the total estimates of the federal government for the coming year which are stated to be $15,700 million.

But let us look at how some of these funds are distributed. For example, the total of all federal payments to the province of Quebec is $1.665 million, the total for Ontario is $1,423 million. The next highest province is British Columbia where the total is $360 million. The next highest province is Alberta where the total is $316.5 million, and so on. It is true that some provinces do not receive equalization payments, but the equalization payments for the current year are estimated to be $944 million out of a total of all federal grants to all provinces for all purposes of $5.2 billion.

So, I suggest that we should look at federal expenditures in their total perspective and realize that the responsibilities which this government and parliament have assumed spread across a broad spectrum of our country. They cover all kinds of services to people in all provinces, and it is quite improper, unjust and unfair for some politicians in some provinces to suggest that they are carrying a load when large amounts of money, for example, are paid to the Atlantic provinces, to some of the western provinces, and to the province of Quebec. It is also unfair for anyone to suggest that there is some kind of impropriety, as Premier Bennett has suggested, in the calculation of these payments, that somehow or other the provinces in eastern Canada do not have to account properly for all their revenues in the determination of revenue potentials when in fact they do.

I have spoken here simply to suggest that there are good reasons for carrying on with this system of tax equalization. It is something which we have had throughout the whole history of our country. It is something which has been applied in an increasingly rational and sensible fashion since the report of the Rowell-Sirois Royal Commission in 1940. If we are going to maintain not only the unity of this country but decent standards of life in all parts of Canada, then it will be necessary for us to overcome the infirmities of economics in different provinces and jurisdictional problems by continuing to pay equalization payments. Therefore, I support the legislation which has been put before us.

• (1500)

[*Translation*]

Mr. Henry Latulippe (Compton): Mr. Speaker, I am pleased to have the opportunity to speak to the bill under consideration.

I wish to say what I think about the equalization payments and the situation in which the government finds itself with regard to the provinces in that respect.

[Mr. Blair.]

Mr. Speaker, the federal budget is close to $16 billion. Transfer payments to provinces, including tax exemptions, will total $5.2 billion during the next fiscal year, that is one third of the budgetary commitments of the central government. However, the funds needed for the administration of the Old Age Security Fund and for advances and loans eventually repayable are not included.

Finally, Mr. Speaker, the budgets of the provinces add up to about the same as that of Ottawa. In general, the provinces therefore get one third of their money from the federal treasury.

Such a policy is inadequate. Is it realistic? It is therefore not surprising, Mr. Speaker, in those circumstances, that the provinces feel that they are not receiving enough from the federal government.

Seven provinces receive tax rebates from the central government. And all of them are not satisfied, and feel that they are not getting enough, and, even Quebec and the three other provinces that receive nothing are not satisfied. They state that the central government is asking too much of them, and that it is not logical to be so highly taxed, because those provinces, that are said to be rich, are those in need of revenue, as they do not have enough. The citizens of the latter provinces, like those of the others, have to pay close to 50 per cent of their income.

According to some economists, we are now paying 50 per cent of our income to provincial, federal and municipal governments and to school boards. Taxpayers say that they are not satisfied and that they are unable to make ends meet. They claim that they will be unable to put up with this very long, that it is impossible that taxes should be further increased when they are already paying 50 per cent of their income in taxes.

In the case of Quebec, equalization payments amount to $446 million, that is 10 per cent of the provincial budget. Conditional payments, hospital insurance, the Canada Assistance Plan, health insurance will bring in a contribution of $440 million, that is 20 per cent of the budget.

Mr. Bourassa's last estimates totalled $4.5 billion. Now, for the coming fiscal year Quebec will receive from the federal government grants of $1.5 billion, that is one third of its budget. If to this are added the tax rebates arbitrarily set by the federal government, the direct or indirect amounts handed to Quebec by Ottawa represent $1.6 billion.

Now, under the circumstances, can the provinces, even in their own fields, talk on an equal footing with Ottawa, when the two levels of government have to share sources of revenue.

Federal-provincial conferences have been held for several years, but they have failed to satisfy the provincial as well as the federal government. Canada has therefore reached a very high degree of federal-provincial tax coordination. We have developped an elaborate and efficient procedure to increase provincial revenues.

For the next financial year, Mr. Speaker, Newfoundland will receive $213 per capita; Prince Edward Island, $214; New Brunswick, $164; Nova Scotia, $135; Saskatchewan, $102; Manitoba, $59 and Quebec, $74.

I would not hesitate to say that the present taxation system is vitiated just as the financial system is. It is contrary to the hard economic realities. It is used for centralization in the hands of the financial empire of the state.

Modern taxation is illegal, even though it is effected through a political democracy which, for its participation, gets an insignificant share of its advantages. I think that it is rather the pursuit of an objective which can be nothing but socialism. Economists trained at the London School of Economics claimed that it is possible to reach happiness by condoning the theft of property through taxes.

Present financing and taxation are but means of concentration of financial power. It is obvious that taxation, under its present form, is an inefficient and irritating way of achieving the desired objective. Be that as it may, some form of taxation is inevitable as long as public services and production to meet private needs co-exist.

Public services demand a minimum of goods and labour; the mechanism through which those goods and labour are transferred from the private to the public sector is essentially a form of taxation.

Some claim that through equalization payments, the people can provide both private and public goods. But under the present system, goods are taken away from people who do not have enough, for private production, under the pretext of allowing public production. But in other cases, taxes are in essences legalized robbery. For instance, when taxes take away the purchasing power of the individuals, while production waits for buyers.

The government is levying taxes for functions that should be left to individuals, families and intermediary bodies. The robbery increases as government interference is stepped up. It is true that the government always alleges the financial inability of persons, families and public bodies, when it should apply itself to removing this inability, as a financial system working for the public good would do.

I say that taxes are a nonsense, because the collection is too costly and it is the taxpayer who has to pay for it all without getting anything in return. Under a system consistent with reality we would not have to levy taxes to meet the ever growing financial needs of the social insurance services. As co-heirs and co-proprietors of the capital the citizens should find a unconditional economic security in the guaranteed social income accompanied by an adjustment of the prices, because all physical possibilities would simply become financial possibilities. The public would be able to pay for all the production originating in the private sector of the economy. Thus the public service expenses would not be, as they are today, a burden or a hindrance to the obtainment of goods from the private sector.

• (1510)

On the other hand, a guaranteed income for everyone, at least for the basic necessaries of life, would ensure a fair amount of well-being, according to our productive capacity.

To have a correct perspective of the civilized world, one must be realist. The standard of living would no longer depend on the financial system, but on actual or potential production. Finance would intervene only to lubricate the machinery of production and to protect the freedom of the consumer.

Government measures should be geared to the financing and development of our physical potential.

Mr. Speaker, if we must always, in order to meet requirements of provinces and claims of the poorer ones, do what we accomplished with Bill C-259, the government will tax citizens to the point of empoverishing them, of wiping them out. Bill C-259 and the capital gains tax will ruin many businessmen and farmers. Many citizens will be reduced to kiss the dust and to be dependent on welfare benefits.

Where are we to find money to increase equalization plans in order to keep the have-not provinces going?

Mr. Speaker, since so many provinces are poor, since they have so many problems, we must improve their system in order to keep them afloat, to enable them to develop their public schools and institutions, in short to enable them to keep pace reasonably with science and progress. And, with science and progress available, why could we not adjust our financial economy to the material and spiritual needs of the population. We could certainly help the provinces, so long as men are willing to work and the plough is tilling the earth.

Mr. Speaker, so long as the earth will be supplying more than the total population requirements, we should feel no insecurity. Yet, all the provinces are now insecure, wondering how to balance their budgets, meet interest payments on our debts to financial institutions.

The government should establish effective regulations at once, since we boast of having reached the pinnacle of development. And we can still go further if we make available to the people all possible financial controls to achieve that growth. But as long as we give only crumbs to the provinces, as long as we tax people to the extreme to prevent them from living decently, we will have difficulties at the provincial level, we will experience the threat of separatism and revolution because of the inefficiency of the government in giving people what they are entitled to. As a matter of fact, it would be possible to finance all institutions, even with a reasonable rate of interest, the only cost being on the administrative side.

We would save millions of dollars and some provinces could have those millions, further our development and provide more services to the Canadian people.

As long as we stay as we are, there will be credit restrictions, dissatisfied provinces, revolutions, because the people are unable to provide for their needs and because the financial economic system does not meet with people's requirements.

We know that all provinces would like to do more for the people and give more to them. Schools are now being built in all provinces with borrowed money at 8 or 9 per cent rates of interest. All those provinces will have to repay those loans in 10 years and the interest will be doubled by that time. We shall have paid for such schools or institutions in 20 years twice their value, in 30 years thrice, and in 40 years four times.

Mr. Speaker, I think I have said enough on this subject. although hon. members in this House might not all agree on that point, I wish they were all at least in agreement to find another solution. If the solutions we are advocating are not appropriate for balancing our economic system, well, let them find out the true solutions.

Our former system led us to our present predicament, that is, complete failure, complete unbalance. The more we apply the suggested solutions, the more our system gets off balance and the more discontentment prevails.

No doubt means do exist to settle such problems. Therefore, if hon. members are not pleased with the solutions suggested, they could at least be consistent enough to propose other solutions, and we shall be among the first to approve them.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, would the hon. member permit a question?

Mr. Latulippe: Certainly.

Mr. Pepin: Mr. Speaker, my question is complicated but I am interested in this subject as a student and analyst of the Social Credit concept.

I am well aware that the hon. member is convinced that Social Credit is able to build paradise earth, a new Eldorado for future generations, but sometimes in his speech he seems to refer to provinces and countries which, in the past, have been fully happy. He seems to refer to governments which, in the past, would have been fully efficient. For my own guidance I would like to know which are those happy provinces and those fully efficient governments of the past?

Mr. Latulippe: Mr. Speaker, the hon. minister says that I have alluded to past governments whose management was quite satisfactory to the provinces.

It is not new to say that the provinces have never been satisfied and never obtained what they should have and it is also logical to say that the provinces debts have kept on increasing. Currently, both the provinces and the federal government are indebted up to their neck. The provinces are no longer able to pay even the interest on their debts and part of their contributions to the federal government is used to pay the interest on these debts.

• (1520)

[*English*]

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I am pleased to see that the Minister of Finance (Mr. Turner) is here. On Wednesday afternoon we were delighted and entertained by his opening solo in his new role as Minister of Finance. As we have come to expect from this minister, his speech was informative and sincere. Above all, it was rational. I know the minister will not mind my joshing him a bit about some of his personal platforming idiosyncrasies.

On Wesnesday afternoon I could not help but notice that the minister shares some traits with present and former leaders of parties. This may be a good omen. Like the right hon. member for Prince Albert (Mr. Diefenbaker) and the leader of the Social Credit party (Mr. Caouette), the minister has developed a certain pivotal skill which allows him to swing approximately 180 degrees without moving his feet. He can speak directly, almost confidentially, to his own backbenchers. This is of considerable importance because the minister always exudes a glow, and his caloric radiations cannot help but envelop with cozy warmth these otherwise obscure and often forgotten individuals. They often have no one to speak to them at all.

In my introduction I would also like to take note of another interesting but, I think, distracting habit which the minister has acquired. When switching from French to the vulgate, he becomes somewhat migratory. Watching him is sometimes like watching a ping-pong match. The minister may be nimble, but trying to follow a nomadic speaker can become a pain in the neck. I will now get to the point I was trying to make before the asides.

I said the minister's arguments were extremely rational; by this I mean reasonable and logical. Perhaps that is why his case is not as convincing as it should be. It has been my observation that people are infrequently moved primarily by logic.

Mr. Osler: You would not want a minister of finance to be logical.

Mr. Rose: If the hon. member for Winnipeg South Centre (Mr. Osler) would care to seek the floor and make a speech—

An hon. Member: He never does that.

Mr. Rose: For instance, was there any real economic logic behind the desire of the African states to be free of their colonial masters following World War II? Certainly there was no economic benefit accruing to these new states. Similar emotional content is said to motivate people to select certain kind of cars, houses and maybe even wives. It is not just what is rational that always moves people; perhaps more important is the appeal to the non-rational.

Mr. Pepin: We count on you for that.

Mr. Rose: The minister, who is celebrated for the saying "it takes two to tango", indulges himself most of the time in the hesitation waltz. If he cares to ask me a question, I will be pleased to answer it when I have concluded my remarks.

What is crucial is not what is necessarily true, but what people think is true. This is precisely where the Liberal government has failed in areas other than central Canada, as the party membership in this House obviously testifies. Perhaps people in Canada's extremities believe the Liberals are primarily interested in central Canada. Who can deny the logic in that? The electoral logic in the Liberal caucus probably goes something like this: if there are 23 seats in all of British Columbia and in each of the two cities of Montreal and Toronto, whose voices are most likely to be heard most consistently?

Mr. Pepin: Manitoba's.

Mr. Rose: I know it is becoming tiresome to prattle on about alienation. It is repeated over and over that the poor

are alienated. We also hear that the young are alienated and the west is alienated. Mr. Speaker, the west is alienated. I do not think we can deny that certain provincial politicians use western genuine alienation to build an elaborate set of additional fears and suspicion that our taxes, for example, are being siphoned off to parts of Canada favoured by the Liberals. If alienation did not exist there would be no environment for this kind of activity and people would laugh them out of court.

Western Canadians are not tightwads, but they are convinced that the federal government does not really give a damn about their problems. For years westerners have seen themselves "hosed" by freight rates, gouged by tariff-protected central Canadian manufacturers and forced to concentrate instead on capital-intensive rather than labour-intensive resource industries such as mining, agriculture, fishing and forestry which for the most part the west must flog in an open world market. Add all these things together and you have a perfect environment for what I consider to be political irresponsibility.

Contributing to western alienation has been the utter failure of the news media, other than CBC radio, to present the national picture in my province. Take the lower mainland dailies, for instance: very little space is devoted to Ottawa news. What is printed usually gets about the same prominence as the truss ads. It is bad enough in the Vancouver *Sun*, for Liberals—because the *Sun* has traditionally smiled on Liberalism—but for NDP members it is a black-out.

Similarly, CBC television programming has gradually been centralized in Toronto and Montreal, so that the west is never adequately presented to the remainder of Canada. The eleven o'clock news which is seen here is even edited, and much less about Ottawa comes through to the west. The newspapers in my province would counter by saying that more space would be devoted to national affairs if more people were interested. I say the people are not interested precisely because they are denied information about the federal program. Not enough attention has been devoted to this matter.

What this vicious circle really adds up to is genuine western sentiment that prompts many, even when talking to their own member, to use such impersonal phrases as "those guys in Ottawa" rather than "our guys in Ottawa".

Mr. Pepin: No; it is "these gentlemen".

Mr. Rose: I see this questioning of equalization in some quarters as nothing more than an unscrupulous move designed to distract our citizens from real issues and to play upon genuine frustrations and irritations which the federal government could help overcome if it set its mind to it. No one can be against the principle of equal opportunity and security for all Canadians, no matter in which part of Canada the citizen may reside or in which tongue he wishes to express himself. That is the price and responsibility of confederation. I am not against genuine equalization, neither are the people I represent who are not, and never have been, bigots.

Some hon. Members: Hear, hear!

Mr. Rose: Therefore, I believe that I would serve well neither my constituents nor Canada in general by playing the red-neck, so I do not intend to do it. that does not mean that the formula upon which the equalization is based ought not to be examined for its genuine equity.

• (1530)

It is the contention of at least one writer, Mary Rawson, that per capita income is not the most equitable basis upon which to distribute the payments. Mary Rawson points out in the Vancouver *Sun* of February 10 that there is at least a partial injustice to a donating province if recipient provinces fail to tax their resource industries at an equal rate. Unfortunately, Rawson chooses to compare British Columbia with Quebec, thus adding linguistic overtones to the argument, and I would just as soon avoid that.

I do not have the figures for the other provinces but I am sure similar figures might well apply to them, both donating and receiving provinces. But Rawson claims that in 1970, with an accessible mineral resources base twice as large as that of British Columbia, the Quebec treasury received only $2 million while the B.C. treasury benefited to the extent of $49 million. It seems an extreme difference. Naturally, if one province or several choose not to tax their extraction industries as heavily as do other provinces, the per capita income upon which equalization grants are based would, accordingly, be lower and have-not provinces might appear for grant purposes to be eligible for fatter equalization payments. Rawson observes that "perhaps per capita income is a poor yardstick for judging the wealth of a region."

I have no idea how accurate or how up to date these figures are, Mr. Speaker, but certainly I believe this line of argument should be examined in much greater detail when the bill reaches committee stage. I believe we should look for a system which will set out revenue sources available to provinces on a truly standardized basis.

What we are dealing with here is, of course, a stand-pat bill. Equalization payments are necessary because we have failed in other areas. I should like to mention some of these areas in the time remaining to me. No matter how fair and equitable a grant formula may be, the government cannot be excused for its failure to establish national policies which would make the imperative of equalization less valid. Equalization payments are necessary because we have failed to do other things. Despite equalization, regional disparity still presents a tremendous problem. The government has allowed manufacturing to be centralized in the golden triangle: this is one reason some provinces have so much and others so little. This government, and no other, has tinkered with area incentive grants until they are now applicable to virtually the whole nation except for Toronto and a strip of British Columbia. This government, and no other, has failed to develop a national transportation system which would give the extremities of our country a fair shake. This government, and no other, after sucking the provinces into shared cost programs is now preparing to welsh on them as costs rise.

Bearing in mind the astronomical cost projections for health care, where are the initiatives to develop new

approaches to meet the needs of people? Has there been any suggestion that the fee for service method of payment of health service fees should be continued in perpetuity? Where are the initiatives in developing new kinds of post-secondary educational institutions?

We cannot simply continue to pay out to this extent. There are people with new ideas in this area. The government should be considering new methods of training doctors in the way we trained navigators in the Second World War, that is, recruit, clothe, pay and educate bright young men and women so that the contrived doctor shortage could be eliminated and we might cease stealing our doctors from other countries who can ill afford their loss.

It is important we examine many of these areas. Equalization payments are not enough, in themselves, to eliminate inequity and regional disparity. Canada is a rich country, a land with talented people and backed by plentiful resources. There is much to be done, so let us get on with it.

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I should like to add a few remarks to this debate. I promise the House they will be few. I do not want to let the opportunity go by without expressing a point of view directed particularly to post-secondary education and the way in which the present formula affects, adversely in my view, institutions of higher learning in the Atlantic provinces.

I agree with the opening statement of the Minister of Finance (Mr. Turner) that there is probably no other piece of legislation, no matter how dry it sounds and no matter how dull the debate, which affects the federal state more than the bill dealing with equalization payments to various provinces.

Having been born and raised in one of the so-called have-not provinces, Nova Scotia, and having contributed, I suppose in a small way, to the gross national product in one of the "have" provinces, British Columbia, I feel that though I am by no means an expert, my experience as a professional man in the community as well as my experience as a politician permits me to say that we are all part of the family of Canada. As in any family, there are various contributors to the home. Their age differs, as does their state of health. When a family is seated around a supper table, the mother and the father are normally present. In the case of Canada, I suppose one could say that the mother and the father are the two central provinces of Ontario and Quebec. These are certainly the two founding provinces.

Then there are the other provinces, some, in the west, expanding because of their basic economic wealth and others, in the east, going through a transitional period, not sharing in the growth rate of other parts of the country. To reduce this question to a common denominator one ought to consider equalization in the light of a family sitting around a table. The provinces of Canada make up, in their various jurisdictions, the family of Canada. The smallest and weakest member of the family has a part to play, just as do the big brothers and the older sisters. So I am in complete agreement with the Minister of Finance when he said that this equalization concept is the cornerstone of the federal system. In fact, I would go further and say it is the foundation of the federal system—because if there is no equalization within the economy, that is, within the family, what is left?

• (1540)

I should like to compliment the Minister of Finance on his new and challenging post. It so happens, I suppose because of the legislative platter before the House last session, that he had to introduce an equalization bill as his first item of business. There is no item that he could have introduced more important to the federal system in Canada, not just important to us in the east but to the west and the central provinces as well. After all, the whole is only as strong as the parts, and the parts make up the whole.

I come back to my analogy of the family. The squalling, squealing baby in the crib, with which the Prime Minister (Mr. Trudeau) is confronted when he goes home from a busy day in this House, has something to contribute to the household, the same as the older brother or sister and the two parents. We all have our part to play: the equalization concept recognizes this fact.

Since, hopefully, we shall conclude this debate this afternoon, I will make my remarks brief. I should like to philosophize further on the concept of the "have" provinces contributing to the have-not provinces. That in itself is a myth, because for the "have" provinces to develop the wherewithal or money to contribute to the have-not provinces they have to be part of the whole. People in Ontario and Quebec are able to produce certain tax revenues because they have been able to benefit from various policies that helped other regions.

We now have British Columbia, developing and economically booming, able to contribute to other provinces. Many years ago, years which many people want to forget about or have forgotten about, B.C. was given a form of equalization grant when Canadian taxpayers subsidized and in effect helped to build the Canadian Pacific railway to bring together the country from coast to coast. The railway certainly was not built to carry passengers or freight to the sparsely populated and remote parts of the country at that time. Nevertheless, out of a concept that did not start with the present government or the previous one but goes back more than 60 years, British Columbia has grown buoyant and rich. I myself participated in their economy in a small way for seven years. British Columbia is now a "have" province and can help the rest of Canada in the sense of developing its raw materials and other resources in the province.

I should like to comment on one thing that the Minister of Finance said in regard to the three concepts that the Rowell-Sirois commission defined for Canada in his maiden address as Minister of Finance in opening this debate on March 1. This commission, which was fundamental really to the future of Canada, wrote that the federal authorities were to develop a financial role so that there would be national growth and stability; secondly, fair standards in public services and, thirdly, co-ordination in tax policy.

I could have much to say about the present government, the former minister of finance, the hon. member for Kingston (Mr. Benson), and the tax reform bill. They have

fallen flat on their faces in regard to co-ordinating federal tax policy with tax policy at the provincial and municipal levels, so much so that unless measures are taken by this new Minister of Finance we will recreate the tax jungle that we had in Canada prior to the Rowell-Sirois commission. I hope the minister will show some new life, energy and initiative so that we once again do not get into this morass of financial swampland.

Coming particularly to the post-secondary education part of the equalization bill, namely part VI, which in effect extends post-secondary payments for another two years, with a ceiling of up to 15 per cent of the national average, I want to mention several areas of concern. Firstly, of course, in Atlantic Canada there is fundamental concern that the formula for post-secondary education was changed in 1966 in order to get away from a per capita student cost basis to a 50 per cent shared cost basis vis-à-vis operating expenses.

The Secretary of State (Mr. Pelletier), who is responsible for this part of the program, quite correctly says that mushrooming post-secondary education costs have risen more than the educator pot, increasing from $422 million in 1967-68 to $870 million for 1971-72. In Atlantic Canada we have, historically, educated Canadians from many parts of the country. I come basically from what is a poor province. However, in many ways we were better off with a per capita payment for our students, especially students from Ontario, Quebec and other provinces in Canada, than we are under the present program where we receive from the federal treasury 50 per cent of our operating costs.

Very simply and fundamentally, in the province I come from, Nova Scotia—the picture is the same in the other Atlantic provinces—we cannot develop the level of help for post-secondary education that other provinces can. Sharing on a 50-50 basis the operating expenditure, since the 50 per cent from the provincial treasury is a relatively low figure in view of the realities of provincial financing in Nova Scotia and Atlantic Canada in general, obviously the 50 per cent we receive from the federal treasury is also low. Yet we still have a large influx of students from other parts of the country. One of the things we can do in Atlantic Canada is build educational institutions. Historically, we have been the provider of education for many who have gone elsewhere in Canada in fields of business, science, politics and the church.

Mr. Bell: Premier Bennett, for one.

Mr. Nowlan: Yes, Premier Bennett himself, as my hon. friend from Saint John-Lancaster (Mr. Bell) reminds me. He was a product of the equalization system. He was born and grew up in New Brunswick before going to the west. I, too, went west many years later, but I came back while he stayed. I am not going to say who fared better, although he has done very well for himself. Be that as it may, it is interesting to note that the Premier of British Columbia is a living example of the Canadian experiment. Having shared, at the lower level, our education system and inherited that bounty he has now gone to another province and today leads the province.

There are many in eastern Canada who look measily at the massive, amalgamated schools that we have. Some sociologists suggest that these will be the pyramids of Atlantic Canada in the not too distant future if we continue to have the outflow of human resources we now have to other parts of Canada. This is a reality of life today. We should try to build into any formula for post-secondary education a per capita allowance for students in Atlantic Canada. Educational institutions in the Maritimes have finally achieved a special place at the post-secondary education level. The present 50-50 cost sharing arrangement which was arrived at in 1966-67 gives cause for concern in view of the outflow of human resources to which I have referred.

One way that the "have" provinces get more fingers into the federal pie is by involving themselves in a cost-sharing program. As I said earlier, 50 per cent of $100 provides a little bit more than 50 per cent of $75.

• (1550)

I have some knowledge of a particular institution in Nova Scotia. I have the honour to be a governor of the board of Acadia University, the university which last year won the national basket-ball championship. I am not sure of its status in that championship this year, but I do know that the playoffs are being held this week. At Acadia University I know that government involvement, provincial and federal, is only 60 per cent per student, whereas in Ontario and the western provinces government involvement is in the order of 85 per cent per student. This is an area in which striking a balance is difficult, because in some cases the "have" provinces have established a higher level of expenditure at the provincial level and thus receive more from the federal treasury.

I hope that in the consultations which the Secretary of State will have with the provincial ministers of education in the next two years, this historic fact of Atlantic Canada will be taken into consideration and that there will be built into the new formula which is to come into effect after 1974 some type of per capita allowance to help redress the imbalance that exists now, whereby several select institutions are educating a great many students from other parts of Canada.

Another problem is how the 15 per cent will be divided. I hope it will be divided equitably. I know, Mr. Speaker, that another hon. member wishes to speak before the debate closes, but I wish to refer to a speech made by the Secretary of State to a Liberal nomination meeting in Laurier about a week ago. In it he said that we have to look at the total package, that if we do not discharge our responsibilities at one level then we will not get the benefits at another level. While that thinking may sound fine in theory and may be great philosophically, I hope that when it comes to the question of post-secondary education transfer payments it will only be the educational needs that will be looked at and assessed in finally drawing up the arrangements.

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, in the few remaining moments of this debate I want to say something on behalf of Canada. I want to speak for a strong, undivided federalism in Canada. We have those in Canada who have sought to divide our nation for their own political purposes. We have seen much of this in the

province of Quebec where the disease of separatism has been used by some as a vehicle for racism and for personal political gain. I join with all those who oppose these divisive forces.

We have seen the same kind of prejudice in my own province of British Columbia. It has been said in that province that the principle of equalization is wrong and, by illustration, that Quebec gets too much. Mr. Speaker, if there are those who oppose equalization, let them say that. If there are those who oppose the French language in Canada, let them say that. But let them not confuse and divide by mixing the two together.

If politicians in British Columbia oppose equalization grants only, then why do they always use Quebec as an illustration of why they are wrong? After all, Quebec, with grants of $74 per capita, is the second lowest of all the receiving provinces. If there is any conflict or any complaint why not talk about Newfoundland, with $213 per capita, or New Brunswick, the home province of the Premier of British Columbia, with $164 per capita?

I can only assume that what is meant by British Columbia politicians is that it is only wrong to have equalization grants for French-speaking provinces and it is all right to have them for English-speaking provinces. If there is any complaint from British Columbia, surely it should be with regard to Prince Edward Island, which gets two-thirds of its revenues from equalization grants. It is not my purpose to complain about Prince Edward Island.

The reasons for this apparent anomaly are part of our constitutional heritage, as are certain of our French-language rights which also are part of our heritage. My objection is not with Prince Edward Island; it is not with Quebec. It is not with any province. Rather, it is a complaint against those who create such issues for the purpose of building their own power.

There was never a better example of the old adage of divide and rule than the present course of action being followed by a few provincial politicians in British Columbia. There have been suggestions that British Columbia would challenge equalization rights in the courts. Where is that challenge? It has disappeared. It has disappeared in the laughter of constitutional experts in Canada.

There have been other foolish things recently said by some British Columbia politicians. There have been claims that wages are especially low in Quebec and that this is why equalization grants are unfair. Again, why single out Quebec? Wages are low in Quebec, but they are lower in Newfoundland, Prince Edward Island and New Brunswick. I could go on, Mr. Speaker.

The Minister of Finance (Mr. Turner) dealt with a number of these items the other day when he spoke on the same subject and demolished many similar arguments. In the time remaining I wish to make only a few remarks. Canada is a big nation, a family of provinces, a federalism. Any family has to learn to live together. A family with no strains, no tensions, is a family without deep or developing relations. As a British Columbian I support the principle of equalization grants and I assure the House that most British Columbians feel the same way and are equally strong in support of any necessary measures for maintaining a strong federalism and a strong ten provinces in Canada.

[Mr. Howard (Okanagan Boundary).]

Mr. Speaker: Is the House ready for the question?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I understand that if I speak now I will close the debate.

Mr. Speaker: Yes, if the minister speaks now he will close the debate.

Hon. John Turner (Minister of Finance): Mr. Speaker, I want to speak for just one minute. I have followed the debate very attentively. I am gratified to note that there is general agreement in the House about the principles underlying this bill, principles based on equal opportunities for all provinces to provide a minimum national standard of public services to Canadians wherever they live. Members of the House have indicated general support for the principle that it should be possible to provide improved services without the poorer provinces having to raise their rates of taxation to unsupportable levels compared with their more fortunate neighbours. The unity of this country will remain strong through use of the basic arrangements spelled out in this bill.

I had hoped to have time to deal with arguments put forward by various hon. members, particularly those having to do with the tax sharing problems raised by some of the provinces, the misconception that the federal government has really frozen provincial revenues by means of this type of arrangement, the arguments that dealt with the scope of the equalization program and with the formula itself, with the question of whether municipal taxes should be included in the revenue capacity base, whether school taxes should be included, whether a tax base brought in for revenue capacity purposes should be used or not, the effect of certain provinces exploiting a wider tax base than other provinces and what this does to the equalization formula, the failure of some provinces to include some type of taxes in their tax base and how this affects the equalization formula, but I hope to deal with all these questions in committee.

Motion agreed to, bill read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

* * *

• (1600)

HOUSE OF COMMONS

ACTION OF PROTECTIVE STAFF RESPECTING DELIVERY OF CERTAIN DOCUMENTS TO PRESS GALLERY BY MR. ROGER JAY—RULING BY MR. SPEAKER

Mr. Speaker: Earlier today I referred to a press report relating to an incident which occurred yesterday when Mr. Roger Jay, secretary of the Union of Ontario Indians, sought to deliver a press release to the House of Commons press gallery. Inquiries into this incident confirm that Mr. Jay presented himself at the main entrance of the centre block of the Parliament buildings for the purpose of delivering a press release. The normal practice would have

been for the desk sergeant to communicate with the press gallery to arrange either for the delivery of the papers to the Canadian Press representative in the gallery or for the press officer to have the parcel picked up at the desk. Instead, Mr. Jay was directed to the office of the chief of the protective service where, after conversations, contact was established with Mr. Mollins of the Canadian Press.

The chief of the protective staff of the House of Commons gives the assurance that the action taken was not inspired by the contents of the release but only to ensure that the papers were indeed intended for distribution to the press gallery. At the same time, it would appear that the procedure adopted by the security personnel was irregular and that it did cause Mr. Jay inconvenience and embarrassment.

In the circumstances, I have no hesitation in saying on behalf of all hon. members that the incident is a regrettable one, and express the hope that such incidents can be avoided in the future.

Some hon. Members: Hear, hear!

* * *

BUSINESS OF THE HOUSE

Mr. Turner (Ottawa-Carleton): Mr. Speaker, in the absence of the government House leader I should like to confirm an understanding reached with the other House leaders that the business for Monday, after the procedural aspects of orders of the day, will be second reading of Bill C-4 respecting financing of the CNR.

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

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I believe it was agreed among us that the first seven items under private members' notices of motions would stand but that they would retain their position on the order paper.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

[*Translation*]

PRIVATE MEMBERS' MOTIONS

INCOME TAX

SUGGESTED INCREASE IN EXEMPTION LEVELS TO COUNTERACT INCREASED COST OF LIVING

Mr. Roland Godin (Portneuf) moved:

That, in the opinion of this House, the government should consider the advisability of introducing legislative measures so that the income of Canadians will be adjusted to the increasing cost of living by eliminating all taxes for single persons earning less than $3,000 and for married couples earning less than $5,000 with the addition of a further $500 exemption for each dependent child.

Mr. Speaker, the reason I am presenting a motion today is that I am convinced that the adjustments made at the

time the tax reform bill was passed last fall, or rather at the end of last year, are clearly inadequate.

In spite of all the talk which has been going on these past few years about the establishment of the just society, I fail to see any real justice in a small exemption of $1,500 for single people and $2,850 for married couples. I think it is somewhat ridiculous to levy taxes at this level. If we compare, for instance, these amounts with the governor general's salary of $46,500 a year and take into account the fact that this same person who lives among us enjoys a $72,000 a year expense account for entertainment, gifts, medal awards, and government house administration, that is to pay the salaries of kitchen and household staff and all the retinue around him, this situation cannot be justified.

Canadians are well aware that they are being double-crossed by this government. It is true that this administration has published a white paper on taxation so that Canadians could argue their case, but this procedure is to me only a bluff, since the amendments to Bill C-259 have exclusively favoured large associations and corporations. The voice of small earners has not been heard and when some labour associations or citizens made representations, it was obvious that they were ignored because they could not contribute to the electoral fund of the old parties. I think that this is why no amendment was tabled in favour of the working class.

I must recognize, for example, that following the reaction of those who could contribute to electoral funds, the government has been prepared to introduce some amendments.

Mr. Speaker, if we consider that 70 per cent of the country's revenues are paid up by those earning less than $5,000 a year, then there is cause for concern. What is to me a flagrant injustice is evidenced by the comparison between the taxes levied on workers and those paid by oil companies. When one considers that from 1965 to 1968, oil companies have paid only $45 million in taxes, that is 5.7 per cent on profits amounting to $795 million, then there is other cause for concern.

Mr. Speaker, the motion I am introducing today for tax exemption for all single people earning under $3,000 per annum and married couples earning under $5,000 per annum, is based on the fact that they are always and everywhere considered as taxpayers. At all government levels, they pay the same price as anybody else. Nothing, be it municipal taxes, school taxes or insurance services, can be paid by them at reduced prices. If they are lucky enough to get a $3,000 car, for instance, they have to pay the 12 per cent federal tax and, if in Quebec, the 8 per cent provincial tax, as anybody else. If they wish to get a 40-ounce bottle of whisky, they have to pay the same price as anybody else—$8.75.

In that connection, Mr. Speaker, it is quite enlightening to consider who are the end recipients of the amount of $8.75 paid by the consumer for the 40-ounce bottle of Canadian whisky since we know that the distiller sells it for $1.22 only.

First of all, the federal government takes 44 cents for sales tax, and $2.49 for excise tax. The provincial government's share in Quebec amounts to $3.94. This already

makes $8.10 per bottle. If one adds the 8 per cent provincial tax, one reaches the figure of $8.75.

It is worth noting that 10 years ago the consumer paid $6.90; since then, the distiller's share has increased by only 22 cents; the balance, that is $1.63, is being divided between the federal government and the provincial government.

Now, why should people be surprised to find out that some of them have one glass too many and develop stomach ulcers. No wonder since they end up drinking a much larger quantity of taxes than of liquids. Sooner or later, they wake up with a hangover and related injuries.

• (1610)

Mr. Speaker, whether the worker is earning $4,000 or $10,000 a year, the price for gas is the same, about 50 cents a gallon. Of this amount, the federal government collects about 4 cents while the province of Quebec, for instance, gets 19 cents.

We know that this also applies to a 30-cent loaf of bread. The western wheat producer, the miller who prepared the flour, the baker, the wholesale dealer, the retailer and all those who worked hard and who have been living on fractions of cents in profit could sell us their bread for 15 cents if it were not for all the taxes they have had to pay at all levels of government.

Studies have proven that there were 100 indirect taxes on bread. It is astonishing to see how little taxpayers realize the total amount of taxes they are paying each year.

For instance, at the retail level, the humiliating feature of the sales tax is obvious. If you add up the aggregate amount of taxes paid by a family over one year you reach an astonishing amount. Moreover, most consumers completely forget that the prices imposed by the manufacturers must necessarily include their own taxes.

With the present system, it is unavoidable and unfortunate that the lower income people have to pay a major portion of the revenue required by the governments for their services and programs.

The corporate tax is another kind of indirect tax imposed without the taxpayer's knowledge. This burden compels corporations to reduce their dividends; in fact their benefits are now so low that the shareholders seem to be under maximum pressure. The only way out for a corporation is to increase its sales price. Mr. Speaker, taxes do amount to a theft when imposed on taxpayers who do not have enough money to get the things they need to live at a time when there is an abundance of goods in Canada.

Taxes also amount to a theft so long as there are unsold products, unemployment and an undeveloped capacity of production because of a lack of purchasing power which in turn stymies the sale of goods.

Taxes amount to a theft at a time like this because they limit the purchasing power, lead to an accumulation of products and deprive the people in the same way as inflation does. In fact, taxes should exist only to absorb the money surplus in circulation at the very time when there is a shortage of products. When there is no money, we do not need taxes but an increased purchasing power.

[Mr. Godin.]

From the start, we have to recognize that every direct or indirect tax leads to an increase in the prices of goods and services. It is always the consumer who pays the bill. The real taxpayer is always the consumer.

An eminent professor gave a lecture which appeared in *Le Devoir* on May 31, 1971 and in which he suggested that Ottawa should reduce income tax for individuals and sales tax. He said in part:

> The government should reduce the income tax of individuals and the federal sales tax in order to stimulate productivity and slow down salary inflation, said economist Grant L. Reuber, director of the Department of Economics at Western University, in London.
>
> Professor Reuber, a former president of the Canadian Economics Association, submitted to the Senate Committee on Finance some suggestions that are contrary to federal theories on the management of the economy.
>
> In an oral and written submission that he presented in collaboration with economist Ronald G. Bodkin, Mr. Reuber questioned the arguments put forward by Prime Minister Pierre Elliott Trudeau, Finance Minister E. J. Benson and Prices and Incomes Commission Chairman John Young against tax cuts.
>
> According to Mr. Reuber, the Bank of Canada has intensified the economic problems of Canada by going from one extreme to the other and by alternating the limitations on credit and the influx of capital in the banking system.
>
> Mr. Reuber has agreed that the economy is moving ahead after the recession of 1970, but unemployment will not go down much below 5 per cent of the labour force. It now stands at about 6 per cent.
>
> That is why the government should pursue a "moderately expansionary tax policy", promote expenses likely to stimulate the demand for goods and services, in order to multiply employment.

Mr. Speaker, we are witnessing an opposite phenomenon, for never have the burdens of the worker been so heavy. And still more surprising, is that each year, the taxpayers are called to pay increasingly higher taxes under the item of the public debt and incurred interests.

In 1969-70, actual expenditures under the public debt amounted to $1,709,938,172. In 1970-71, those expenditures amounted to $1,862,400,000 and finally for 1971-72, the Minister of Finance (Mr. Benson) then anticipated a public debt expenditure for the tidy sum of $1,988 million.

Mr. Speaker, if we take into account the fact that Canada has some 21 million inhabitants and that the interests to be paid amount to $1,988 million, this represents something like $100 per year for each Canadian citizen.

Now, one should recall that, after the Second World War, the per capita interest on the national debt was $26.42 and that, in 1960, it was $42.17. Twelve years later, that is in 1972, every Canadian will have to pay $100 for this. Such are the fruits of the financial system that current and previous governments have favoured and continue to favour.

Some will no doubt say that that is a good thing and, unfortunately, they are the ones who represent high finance.

If we investigated, we would find that those to whom the interest on the public debt is paid and who will receive the $2 billion or so that Canadians will pay in 1972 are not people who earn only a pittance.

On the contrary, they are in the higher tax brackets and a major part of this interest just goes to swell bankers' dividends.

Mr. Speaker, since in view of all kinds of tax increases the national debt is still rising, we arrive at the conclusion that taxes paid by small wage-earners are just money wasted which, ultimately, serves only to swell the wealth of high finance.

The Prime Minister (Mr. Trudeau) has already asked the working population of the country to tighten their belts. The constant increase of the cost of the debt in interest charges makes it clear that this appeal was meant for high finance.

Mr. Speaker, that is why I am now offering this government an opportunity to demonstrate fairness in establishing its budget by curtailing the amounts allocated to the national debt and, as a result, to evolve a tax system to relieve single people earning less than $3,000 a year and married people earning less than $5,000 a year.

[*English*]

Mr. Maurice Foster (Algoma): Mr. Speaker, in speaking on the motion of the hon. member for Portneuf (Mr. Godin), I would congratulate him for bringing the motion before the House. It is a very important one. When we talk about basic exemptions for income tax, if we look far enough ahead we can see that no matter what is proposed, the chances are that it will come to pass some time in the future. So it is well that we should seriously consider this matter this afternoon.

I am pleased, too, that the hon. member has been able to enlighten us on some of the Social Credit theories and the benefits thereof. I am very sorry that these things have never come to pass in the provinces of Alberta and British Columbia which have had the wisdom to support Social Credit. However, Mr. Speaker, that does not in any way detract from the importance of this motion.

The hon. member for Portneuf has suggested that the amendments passed during the last 12 months did not go far enough in providing basic exemptions. I think this amendment is always true, but it is a case of trying to balance equity against growth in the economy.

• (1620)

It seems to me that in the two or three years when we debated the white paper on tax reform, and especially in 1969, we were enjoying rapid growth. Young people had not entered the work force in such large numbers and unemployment was at a lower level than it has been recently. Of course, as time went on—and this has been most evident in the past 12 months—it seems to me people felt that we should adopt a tax system and introduce budgets that would provide for growth in the economy. Certainly the warnings of the Economic Council of Canada bore out what would happen if that were not done. The council in its projection contended that we needed something like 6 per cent of real growth in the economy for the next four or five years.

I think we have been pretty successful in reaching this growth level. In 1971 real growth in our economy was at the 6 per cent rate. Our rate of growth between 1968 and 1971 averaged pretty nearly that figure. The Economic Council of Canada has told us that 1.4 million new jobs must be created between now and 1975. If this rate of growth is maintained we will be able to absorb into the work force many of the 1.4 additional people who will be entering the work force.

As the debate on tax policy developed, it became clear that people wanted a more equitable tax system and that we should strive to introduce a progressive tax system in which the person earning more pays more. We must also recognize that we want the economy to grow if we are to provide jobs for people entering the work force. If you are not working and are not earning any income, it really does not matter to you how high the basic exemption levels are. However, being against this motion would be like being against motherhood. We all know how difficult it is for a single person to get along on less than $3,000 a year, or for a married couple to get along on less than $5,000, the amounts set out in the notice of motion.

The hon. member also talked about the inequity of the sales tax. During the debate on the tax reform bill last fall the former minister of finance indicated that in the years ahead we would be reviewing taxes and reconsidering the sales tax. I agree with this. The hon. member for Portneuf used the example of sales tax on a bottle of whisky. I did not think that example was appropriate. If he had chosen bread, meat or something like that, his example might have been more appropriate. The sales tax is a flat tax; it taxes the poor and the rich alike at the same rate. The genius and beauty of the income tax is that it taxes progressively: a person who makes more pays more.

The notice of motion before the House reads:

> That in the opinion of this House, the government should consider the advisability of introducing legislative measures so that the income of Canadians will be adjusted to the increasing cost of living by eliminating all taxes for single persons earning less than $3,000 and for married couples earning less than $5,000 with the addition of a further $500 exemption for each dependent child.

The notice of motion uses the words, "by eliminating all taxes for single persons earning less than $3,000 and for married couples earning less than $5,000". It also refers to a further $500 exemption for each dependent child. The proposal to eliminate tax for those earning under $3,000 or $5,000 could be accomplished by starting points or exemptions. The starting point device is used by the province of Quebec which provides that an individual does not pay income tax unless his income exceeds $2,000 if single and $4,000 if married. When an individual's income exceeds these amounts, the basic exemptions of $1,500 and $2,850 come into play. Thus, if a single individual has an income of, say, $2,001, he would become taxable on $501, the amount permitted by the federal exemption. However, this is prevented by a notch provision which has been introduced to prevent the tax reducing income below the starting points.

On the other hand, an exemption of a stated amount applies to everyone. For example, an exemption of $3,000 for single persons would eliminate from the tax rolls everyone with income of less than this amount and would also permit all single taxpayers to deduct $3,000 from income in computing taxable income. The advantage of the starting point device is that it is much less costly in terms of revenue. However, it requires a notch provision for income that is just above the starting points. Even

with such a provision the marginal rate on such income is likely to be very high.

No matter whether the hon. member has in mind starting points or exemptions at the $3,000 and $5,000 levels, the government's position might be that this matter was extensively reviewed following the report of the Royal Commission on Taxation, the preparation of the white paper on tax reform and the preparation of the tax reform income tax amendments passed by Parliament in December, 1971. There was considerable debate in the House on this subject when the white paper was discussed and during consideration of Bill C-259 last session. The exemptions recommended by the government and accepted by Parliament in the legislation passed in December, 1971, apply for 1972 and subsequent years and are as follows: for a person of single status, $1,500; for a person of married status, $2,850; for a dependent under 16, $300, and for a dependent over 16, $550—or $50 more than the amount mentioned in the notice of motion.

In addition, every taxpayer may deduct an optional standard deduction of $100 in lieu of claiming deductions for medical expenses or charitable donations. Every taxpayer may also deduct 3 per cent of his income from salary or wages, up to a maximum of $150. Taxpayers over 65 are granted an additional deduction of $650. The result of the combination of these deductions is that an employee with single status who is under 65 will not be subject to income tax until his salary or wage exceeds approximately $1,650. An employee with the full married exemption will not be subject to income tax until his salary or wage exceeds approximately $3,041.

The question is, what would be the effect on revenues if the high exemptions mentioned in the notice of motion were put into effect? Whom would we tax, or where would we obtain the needed taxes to overcome any losses. Of course, the tax reform bill passed last year provided for the imposition of capital gains taxes. These will supply additional revenues and allow tax levels to be reduced for practically all people in the labour force. Everyone pretty well, with the exception of single status taxpayers earning more than $8,500 a year, will benefit. Married couples with dependants will pay reduced taxes. As I say, the reductions will affect almost everyone.

• (1630)

The revenue implications of the hon. member's resolution cannot be easily estimated in detail. However, with starting points of $3,000 and $5,000 it would probably reduce revenues by less than $100 million, although this would depend substantially upon the notch provision used to tax income just in excess of the starting points. The increase in the basic exemption of the order proposed would cause substantial reduction in revenue. The order of magnitude can be guessed by noting that the increase in the basic exemptions from $1,000 to $1,400 and from $3,000 to $2,800, as proposed in the white paper on tax reform, was estimated at $1 billion.

When we look at this matter from the human point of view we cannot help but believe that what the hon. member is proposing will in the long haul be adopted in some form because of the inflation which occurs every year and the fact that people in the lower income brackets will have less and less resources with which to pay taxes. This is the important point of a graduated scale: it not only helps the progressive tax system and the poorer parts of the country but it helps the poor people.

[Mr. Foster.]

Last week a group from the national anti-poverty organization met in Ottawa. It presented briefs to all the caucuses of the House. I must say they were a very forward-looking group. Like practically everyone coming to meet the government, they were looking for funds, but they were doing this in a positive way. They were looking for assistance in order to help themselves. This is an encouraging development.

This group proposed that there be a poor people's development corporation. Their proposal had two objectives: first, to assist income groups in developing self-sustaining organizations and, second, to allow low-income people to participate in some organizations. This corporation would be made up by appointments from the government and appointments from within their organization. The corporation would fund self-help projects.

One of the projects they proposed was co-operative grocery stores in isolated areas. They gave the example of a small community of 200 people in one of the western provinces which does not have any store to serve them. They suggested that this kind of national organization would be able to provide the resources for a self-help project. They also proposed that in urban areas funds be used for housing developments and that 5 per cent of the needed capital would be provided by this corporation: the balance would come from Central Mortgage and Housing Corporation. This group also talked about free stores in Winnipeg, a self-help community organization. This would provide an opportunity to assist each other, as well as those who are transferred, in the provision of supplies.

I believe the motion before us would be of benefit to many Canadians in the lower income brackets. The idea of hearings on the tax reform measures which were before us last fall worked toward more growth in our economy. The budget that was presented last fall also worked in this direction. Personal income tax was lowered by 3 per cent and corporation tax by some 7 per cent in order to provide more funds to get the economy of the country moving faster.

I know there are speakers on both sides of the House who want to speak this afternoon. I think it is interesting that this debate should occur just at the time we are debating the federal tax sharing agreements which this afternoon received second reading, approval in principle. One of the beauties of this country is that we have such co-operation between the federal and provincial governments. We know that when the levels of minimum basic exemptions are raised to the levels suggested by the hon. member for Portneuf, they will apply across the country and the benefits will be nationwide. We do not have the tax jungle in Canada that we had at one time and which exists in many other countries.

Mr. Mac T. MacCutcheon (Lambton-Kent): Mr. Speaker, I congratulate the hon. member for Portneuf (Mr. Godin) for bringing forward this intriguing notice of motion. I would like to go on record as being sympathetic to the proposal of the hon. member if it really means relief to

Canada's hard-pressed taxpayers. However, as a responsible member of this chamber I must point out that having regard to practical considerations and a shrinking tax base that has not been recognized by the government, this probably would not bring the result that the hon. member envisages. I do not think for one minute there would be enough money left to go around. We are aware that next year income tax exemptions will be increased from $1,000 to $1,500 for single persons and from $2,000 to $2,850 for married couples, plus the $100 mandatory exemption. For married couples over 65 in standard circumstances where the wife is not earning any money, the exemption next year will be $3,600.

The notice of motion before us calls for the elimination of taxes for single people earning up to $3,000. This is an increased exemption of $1,500. In the case of married couples it calls for an increased exemption from $2,950 to $5,000, an increase of $2,050. These figures seem rather large at first glance but I suspect they are probably closer to the actual purchasing power of the dollar than the government is prepared to acknowledge. If one considers that until 1948 the exemption for a single person in this country was $750 and in 1949 it was advanced to $1,000, where it has stayed until today, and having regard to the decrease in purchasing power of the dollar during that time, I suggest that a fair figure might be 3 per cent annually. we know that it has been at least 4 per cent a year since 1966 and, therefore, having regard to the compounding effect of the decrease in the purchasing power of the dollar the suggestion of the hon. member is not so far out of line. Indeed, the Ontario Association of Superannuated Teachers passed a resolution along these lines regarding 1972 income tax exemptions. I have received dozens of letters from this organization and I should like to quote a resolution which was passed by them:

• (1640)

Be it resolved that:

(1) The income tax exemption be increased for all citizens of Canada or 65 years and over to $3,000 for all single persons and $4,500 for all married couples, and

(2) That an escalation clause be included in the exemption to establish an escalation geared to the cost of living for retired persons of 65 years and over.

These people are concerned, as well they might be. In light of the situation which exists I must say that while I am sympathetic to their case and to this resolution, in my opinion this approach is only a band-aid treatment for the disease: the cure for the disease is something else. I submit that the sky is the limit as far as exemptions go, but this will not treat the disease of profligate spending by governments in Canada today. This has placed our people in the unenviable position in which they find themselves.

I am not a senior member of the House by any means, but it came as a shock to me to find that in the short period in which I have been in this chamber the national budget has more than doubled. That is in less than a decade. No, Mr. Speaker, the answer is not necessarily to increase exemptions. I submit that the answer lies only in establishing real priorities for expenditures. The cure to this impasse is to spend money only on things which are worth while. We must cut out the frivolities. I ask this question: Has the group referred to as Satan's Choice or devil worshippers, or whatever they are called, which applied in Toronto for a LIP grant, actually received $25,000? If the money has been received by them, what is the situation? I make no statement as to whether they should or should not have received the money, but supposing after investigation it is determined that they should not have been given it: what happens? Do Canadian taxpayers have any chance of getting their money back? Has any taxpayer received a refund following the exorbitant waste in the course of refitting the *Bonaventure*? What about the grant to CHAT, the Community Homophile Association in Toronto which received $14,602 to succour Toronto's homosexuals?

Mr. Blair: You have strayed a little from the resolution.

Mr. McCutcheon: In conclusion, may I say that I am sympathetic to the motion but in all honesty it appears to me that a thorough review of the priorities of government would result in a more meaningful and more direct solution of the problem.

Mr. Bill Knight (Assiniboia): Mr. Speaker, it is indeed a pleasure to address a few remarks to the House on the motion moved by the hon. member for Portneuf (Mr. Godin). I suggest there is a great deal of merit in the hon. member's proposal by way of tax reform. It would result in purchasing power being placed in the hands of those who need it most.

I was interested in the comments of the hon. member for Algoma (Mr. Foster) who told us, with great piety, that he is sympathetic to the motion. Nevertheless, I note that the government which he supports, last fall when it had the opportunity to introduce meaningful measures of tax reform evaded its responsibility and put forward legislation designed merely to continue the special privileges of corporate interests. The government should take the opportunity afforded by this motion to alleviate the tax burden upon those whose incomes are low. The hon. member for Algoma told us that the government would lose revenue of $100 million. I believe this $100 million could be made up from sources of revenue other than taxing people of severely limited means.

The tax legislation introduced last fall left wide disparities in terms of what income is taxed and what is not. An individual who earns $10,000 a year as a farmer, a working man or a professional, will pay tax amounting to about $2,285. A person who derives an income of $10,000 from capital gains will pay in the neighbourhood of $788, and a person deriving a similar income from dividends will pay only in the neighbourhood of $173. Disparities of this kind are completely out of line with any concept of a just society.

It would be well for the government to allow this motion to go to a vote, assist in its passage and give a break to people in the low income brackets in terms of the tax they must pay.

Mr. Lloyd Francis (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, I have listened to this debate with considerable interest, particularly to the remarks of the hon. member for Assiniboia (Mr. Knight) who has just spoken.

• (1650)

I note that all members who have spoken have pronounced themselves in favour of increased tax exemptions, which is the basic principle embraced by this motion. They have also said that tax reform such as that already undertaken has not gone as far as it should have gone. I should like to raise one basic question for the consideration of the hon. member for Assiniboia. I believe in tax reform, in giving tax reductions to those in the lower income brackets; but when the hon. member increases the basic exemption by, say, even $1,000, then the man in the 80 per cent marginal tax brackets gets tax relief amounting to $800 whereas the man in the 20 per cent tax bracket gets tax relief amounting to $200. Therefore, I would ask him this question: Is this always the fairest and most equitable means of achieving the social purposes that I know he has in mind?

When one increases basic tax exemptions across the board there is no question in my mind that the greatest benefit from such an increase is derived by the man in the higher tax brackets.

Mr. Knight: A point of order, Mr. Speaker.

Mr. Deputy Speaker: Order, please. The hon. member for Assiniboia is rising on a point of order.

Mr. Knight: May I suggest that the hon. member reread the resolution, which speaks in terms of people in the lower income brackets, not as he suggests.

Mr. Francis: Mr. Speaker, I have read the resolution very carefully and for the sake of the hon. member I will read it again into *Hansard*. The motion reads:

> That, in the opinion of this House, the government should consider the advisability of introducing legislative measures so that the income of Canadians will be adjusted to the increasing cost of living—

How that is done, I do not know.

> —by eliminating all taxes for single persons earning less than $3,000 and for married couples earning less than $5,000 with the addition of a further $500 exemption for each dependent child.

I agree there is some ambiguity of meaning, but there is reference to a further $500 exemption. Presumably an exemption is an exemption. Presumably this resolution is couched in terms of exemptions. Indeed, I find it difficult to read it in any other way. Is the resolution intended to give us an elaborate system of tax reduction that does not change the tax brackets of anyone except by a notch provision with certain starting points, such as was introduced by the province of Quebec in its administration of tax law?

I understand that in the province of Quebec the basic exemption for a single person is $2,000. The basic exemption under the new law would be something like $1,500 or $1,400, plus the $100 charitable deduction with the tax rate cutting in above that. Then there is a notch provision so that anyone paying taxes on, say, $501 would pay no more as a result of cutting in above the basic exemption.

It is not clear at all whether the Quebec system is intended here, or some blanket exemption. I personally read the resolution to mean there should be an exemption of $3,000 and one of $5,000. I was not aware that the mover of the motion made this point at all clear. I think my reading of it is consistent with the hon. member's remarks, but there will be other opportunities, I am sure, for members on all sides of the House to set the record clear.

Mr. Knight: We will.

Mr. Francis: I am delighted to hear that. One thing that is clear is that we have already gone through a measure of tax reform. We have increased basic exemptions. At the present time the law provides an exemption, for those claiming single status, of $1,500; and for those claiming married status, of $2,850. For each dependent child under the age of 16 eligible for an allowance there is a deduction of $300. For the dependent age 16 and over the allowance is $550. In addition, every taxpayer may deduct an optional standard deduction of $100 in lieu of claiming medical expenses and charitable donations.

Every taxpayer may also deduct 3 per cent of his income from salaries or wages up to a maximum of $150. Taxpayers over the age of 65 are granted an additional deduction of $650. The result of the combination of these deductions is that an employee with single status under age 65 will not be subject to income tax until his salary or wages exceed approximately $1,650. An employee with the full married exemption will not be subject to income tax until his salary or wages exceed approximately $3,041.

I want to make it abundantly clear that in the course of the inflation which unfortunately is part of our times, the case for a review of basic exemptions under our tax laws is so strong that it is unanswerable. The mover of the motion has given us no formula to relate this to the cost of living, despite the pious phrasing of his motion. It will be necessary to review the law from time to time and to raise exemptions in such manner as may be provided. But none of us is so naïve as to think that this can be done without regard to the effect of increasing exemptions on tax yields.

I note, for example, that something like $1 billion was the estimated cost to the treasury of increasing exemptions from $1,000 to $1,400. Increasing them to $3,000 would result in a very substantial tax loss to the treasury. The cost of the $500 exemption for dependent children—and the word "exemption" is clearly used—would cost in the order of $500 million considered separately in its own right.

I am sure nothing will give hon. members on all sides of the House greater satisfaction than to be able to give tax reductions to large numbers of voters. I am sure that in this, an election year, the thought would be particularly appealing. But we have to be something more than just cynical in promising great things and large hand-outs; we have to ask ourselves the basic question: Is this the best way to administer expenditure for public purposes?

I start with the question I asked the hon. member for Assiniboia: Does he intend to give a man in the 80 per cent tax bracket the greatest amount of tax relief? I am sure he does not. The effect of increasing exemptions in a blanket way would do just that.

Mr. Douglas: A system of tax credits would not.

Mr. Francis: The hon. member for Nanaimo-Cowichan-The Island (Mr. Douglas) interjects, perfectly logically, that tax credits would not, but the motion before the House does not talk about tax credits. The motion before the House, as I understand it, is put in more simplistic terms and would have the effect, I submit, of giving large reductions in areas that I am sure members on both sides of the House would be the last to stand and defend.

Mr. Deputy Speaker: Order. The hour appointed for the consideration of private members' business has now expired. It being five o'clock p.m. this House stands adjourned until Monday next, pursuant to Standing Order 2(1).

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

HOUSE OF COMMONS

Monday, March 6, 1972

The House met at 2 p.m.

PRIVILEGE

MR. KNOWLES (WINNIPEG NORTH CENTRE)—CORRECTION OF REFERENCE IN OTTAWA "CITIZEN" AS LEADER OF SOCIAL CREDIT PARTY

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I rise briefly on a question of personal privilege. In the Saturday edition of the Ottawa *Citizen*, in an otherwise generous statement, I am referred to as the leader of the Social Credit Party.

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): I am sure that if my hon. friend, the hon. member for Témiscamingue (Mr. Caouette), were here he would support me in asking that this error be corrected. As surely everyone else in Canada knows, I am a New Democrat.

Some hon. Members: Hear, hear!

ROUTINE PROCEEDINGS

[*Translation*]

POST OFFICE

STATEMENT BY MINISTER ON ALLEGED CONFLICT OF INTEREST IN AWARDING OF CONTRACT TO ITT

Hon. Jean-Pierre Côté (Postmaster General): Mr. Speaker, allegations of conflict of interest have been made in this House and in the media after the Canada Post Office awarded a maximum 70 million dollar contract to ITT Canada for the manufacturing of mechanized letter sorting equipment.

Innuendos have been made concerning the integrity of two of my senior officers, Mr. John Mackay and Mr. Jack Moody.

Mr. John Mackay joined the Canada Post Office on October 6, 1969, as General Manager for our Ontario postal region. This appointment came after an extensive recruiting campaign in private industry by the Canada Post Office to attract highly competent people for its reorganization and decentralization program.

Though it is correct that Mr. Mackay was then president of ITT Canada Limited, this did not mean that we should have turned down his appointment just in case at one time or another his former employer might do business with the federal Government, let alone the Canada Post Office.

Mr. Speaker, I wish to state emphatically that Mr. Mackay has no more ties, financial interests or otherwise with ITT since he joined the Canada Post Office in 1969.

On October 21, 1960, Mr. Jack Moody came to the Canada Post Office from the Armed Forces as a metalurgical engineer. He was assigned to our Engineering Branch and in 1971 became its chief engineer.

On April 17, 1968, Mr. Moody registered with the Career Assignment Program (CAP) administered by the Public Service Commission. His application was approved by the Assistant Deputy Postmaster General—Personnel on June 8, 1970. It was then accepted by the Public Service Commission. From January to March 1971, Mr. Moody left the department to follow the theoretical part of the Career Assignment Program as required.

Unfortunately, the Public Service Commission was unable to find a suitable assignment for Mr. Moody after his three month course. This was mostly because of Mr. Moody's high classification and salary range. This is why the Canada Post Office decided in July 1971, with the agreement of Treasury Board and the Public Service Commission, responsible for CAP, to put Mr. Moody on a Developmental Program. On this basis, Mr. Moody was assigned to ITT Canada for a period not exceeding two years starting September 1st 1971 with the view of broadening his knowledge. Upon his return to Ottawa, the department will benefit from the services of a qualified civil servant who will be competent in the installation, operation and utilization of automatic letter sorting machines.

In keeping with the terms and conditions of this program, Mr. Moody is still a public service employee and is paid by the Government of Canada. ITT Canada reimburses all expenditures—wages and incidentals—to the Receiver General of Canada. In similar programs, we have another Post Office employee on assignment with Imperial Oil. Furthermore, we have had employees from Gulf Oil and Bell Canada working with the Canada Post Office on assignment. We do not have any other Post Office employee working on coding and mechanization with companies other than ITT Canada for the simple reason that it is the only one which entered this field with a manufacturing plant in Canada.

The Canada Post Office has not had any active research and development program in recent years in the mechanization field. It has simply studied, supplemented by published documentation, different pieces of mechanized equipment now in use and queried other postal authorities on their performance and expectations regarding their particular coding and mechanization programs. This is the responsibility of our Coding and Mechanization Branch. To be specific it is the main responsibility of Mr. Jerry Fultz. Mr. Moody never worked for our Coding and Mechanization Branch nor did he in any way collaborate

in its work. As for Mr. Gerry Fultz, he joined the Canada Post Office on February 12, 1940. Since then he has had vast experience in the Department particularly in the operations and administration field. Mr. Fultz was named Director of the new Coding and Mechanization Branch on June 16, 1970.

• (1410)

[*English*]

On November 24, 1970, Mr. Fultz recommended that the Post Office call for tenders for automatic letter sorting equipment needed for the mechanization of the Ottawa Post Office. Twenty-seven companies which we knew manufactured such equipment were invited to submit tenders. Tenders closed January 12, 1971.

A specifications book was given to the interested parties. It was understood that the equipment was to be delivered in two stages. We knew very well that the first stage could not be built in Canada. But we specified definitely that the second stage of the contract had to be Canadian-built.

We received five bids: ITT Canada on behalf of ITT Belgium; Canadian Marconi on behalf of GEC Elliott of Great Britain; Telefunken; Plessey Canada on behalf of Plessey of Great Britain; and Plessey Canada on behalf of Plessey of Great Britain-Plessey of Australia and Toshiba.

Technical appraisals determined that the equipment proposed by Telefunken and that of ITT Canada were the best on the grounds of proven standard quality. Hence, because of costs, shipment dates and the ability to produce in Canada, the ITT Canada tender was judged to be superior. Therefore I sent a submission to Treasury Board recommending approval of the ITT Canada bid. It was approved by Treasury Board after being studied by the Department of Supply and Services and the Department of Industry, Trade and Commerce. Thus, on March 30, 1971, a $4.4 million contract was awarded to ITT Canada.

The equipment corresponding to the first stage of the contract has recently arrived at the Ottawa Post Office from Belgium. ITT Canada has already started the manufacturing process, in Canada, of the second stage.

In September 1971, ITT Canada informed the Canada Post Office verbally that it was ready to provide automatic letter sorting machines which the department needed for the other 14 Canadian centres at the same unit base price. Though I could have legally and technically recommended to Treasury Board the awarding of the contract to ITT Canada on the basis of its first bid, I asked my officials to call for another tender. My purpose was to give other companies another chance and also to see if we could get a better deal.

Tenders were called October 6, 1971 and again a specifications book was sent to the interested parties. Fourteen companies in five countries were invited to submit bids. Tenders closed November 18, 1971. Only two bids were received: Plessey Canada for Plessey-GEC Elliott of Great Britain, and ITT Canada.

Technically and legally, the department could have ignored the Plessey Canada bid. In fact that bid did not meet the specifications of the tender call in many instances. Nevertheless, I asked Mr. Fultz to study thoroughly the Plessey Canada bid and to contact them to ask for extensive amplification, clarification and new data regarding the bid.

An evaluation of the two bids was finished by the end of January, 1972. On February 1, 1972, at the request of the British High Commissioner in Ottawa who was making a representation to us on behalf of Plessey of Great Britain, I agreed not to make a decision on the matter and to delay my recommendation to Treasury Board until Mr. Fultz met again with top executives of Plessey of Great Britain to hear their new arguments on the proposed equipment. On the same day, Mr. Fultz left for England for the fifth time in two years. He went to examine again the present status of the equipment of Plessey of Great Britain.

Following his return from England Mr. Fultz reported that, while he had seen equipment being developed which had capabilities for fulfilling the specifications should it be placed in production, as yet none of it was in the production stage. And a fair amount of development work remained to be done before it could be fully assessed. After his report, I sent my submission forward to Treasury Board recommending the contract be awarded to ITT Canada. My proposal was accepted by Treasury Board.

The reasons for my recommendations and Treasury Board's decision are as follows:

1. The ITT Canada equipment is of the sixth generation of equipment which has successfully been in operation in many countries such as Belgium, the United States, the Federal Republic of Germany and Denmark. The proposed Plessey equipment is still in the research and development stages without even a prototype being assembled.

2. While the ITT Canada equipment can handle 21,000 letters per hour regardless of size, the performance of the Plessey equipment, according to its own appraisal, ranges from 20,800 letters, 5½ inches long, per hour to 14,100 letters, 10 inches long, per hour. These are the figures "throughput" by the machine. Throughput is maximum speed adjusted to allow for mail feed, stoppages, operator error, etc. and is the number of letters we can expect to get out of a machine in one hour of operation.

The majority of letter sizes for the government is more than eight inches in length. Thus the Plessey equipment would have allowed handling of 6,000 letters less per hour than the ITT Canada equipment.

3. If we take into account that the average size of letters mailed in Canada is at least eight inches, it would have meant a purchase of 85 automatic letter sorting machines from Plessey while only 67 ITT Canada automatic letter sorting machines would have done the same work. Thus, if we had opted for the Plessey system, though the cost per machine would have been less it would have cost the Canada Post Office, over a 15-year period, 28 million extra budget dollars because of an increased demand for supplies and labour. Evidently with an increasing volume of mail over the years, the Plessey system would continue to cost the Post Office more money because of the ever-increasing number of machines needed.

Those three reasons should have been enough to justify awarding the contract to ITT Canada, but other reasons of equal importance moulded our decision. Let me just mention:

1. Space needed: If we would have opted for the Plessey system, we would have been forced, because of the number of machines, to build bigger offices. Just to cite Montreal as an example, construction costs of our new proposed facilities would have been nearly $2 million more than forecasted.

2. Canadian content: While ITT Canada guaranteed that the equipment in this contract would be built in Canada, the first seven automatic letter sorting machines and 72 coding desks of the Plessey system would have been built in England. To summarize, the ITT Canada proposal will create directly about 150 jobs in Canada this year while Plessey could not really do it before 1973.

I could also mention, Mr. Speaker, the advantages of the ITT Canada bid on future costs, on research, and the development in Canada of such an industry and its potential for export in harmony with existing government policy.

Nevertheless, I think I have proven beyond any doubt that the award of the contract to ITT Canada was in the best interest of the Canada Post Office and the Canadian people. I would have preferred, out of courtesy for Plessey, not to go into details, but circumstances forced me to do so. Furthermore, Mr. Speaker, I hope that, as you are now aware of the fact that I was extremely cautious in connection with these bids, you will admit in all fairness that I went further than the usual tendering procedures.

• (1420)

But mostly, and more importantly, I hope that any doubts cast on the integrity of Mr. John Mackay and Mr. Jack Moody have been proven baseless and uncalled for.

These two senior public service employees have had no say whatsoever in the decision taken on this matter. I, alone, have made the decision after carefully studying the well-documented information and the recommendations which Mr. Fultz made to me. On this basis I then recommended to Treasury Board the award of the contract to ITT Canada knowing very well that my Deputy Postmaster General, John Mackay, had been president of that company and that Mr. Jack Moody was on assignment from the department to that same company.

I wish to thank you, Mr. Speaker, in the name of these two senior officials of my department, for your patience.

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, initially I want to thank the minister for his courtesy in giving the opposition a copy of his statement beforehand. I temper that, however, with the advice that if the statement and all statements of this kind are so long it is no wonder that the postal service is so slow.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Nowlan: In fact, as I listened to the minister I almost thought he protested too much. This problem does raise some very basic questions. I quite agree with the minister it is unfortunate that men on the periphery are sometimes caught in the crossfire. However, until the Prime Minister (Mr. Trudeau) and the government define a code of ethics to remove any potential stain of conflict of interest in the discharge of legislature and administrative duties, these problems are going to return to haunt all members and to take the time of this chamber.

It was only in the bright days of 1968, which are now somewhat dulled and certainly distant, that the new Prime Minister and the new government were going to proclaim, at long last, a code of ethics. I have not got all the quotations here and I will not take up the time of the House, but I know that at that time the Prime Minister said on one occasion that conflicts of interest must be avoided and they were going to search for some kind of guidelines. Mr. Speaker, they have searched for guidelines almost like the biblical characters of old, wandering and stumbling through the wilderness. I am told that two reports even got to the Privy Council office recommending certain terms of reference to take care of this problem, and still there is no action.

Let no criticism from this side of the House unfortunately fall on those who are caught in this crossfire. We do need a code of ethics to define rules of conduct and to remove any possibility of conflict of interest for parliamentarians, be they in the House of Commons or the Senate, and certainly for some of the top administrators in government.

In this case we have a deputy minister who was a former head to ITT, the chief engineer of the Post Office now seconded or leased or lent to ITT, and we have a contract for $70 million nine-tenths of the feet, which is not just a foot in the door but both feet in the door, for future contracts for the mechanization of the Post Office and postal services. This is a large item of government business.

Last Friday the Acting Prime Minister (Mr. Sharp) cast innuendoes about tendering. It does not take much of a layman to know that with a detailed definition of specifications you can chart and determine the type of tender you want. It does not excite me that 27 companies applied initially although it is interesting that only five were interested in the specifications book. On we went from there.

I suggest, Mr. Speaker, that the continual growth of the public and private sectors and the interrelationship of the government with the private sector demand a code of ethics. I believe there should be cross-fertilization and an infusion of new blood from the private into the public sector so that the public will have an appreciation of what motivates the private sector. I think we have to do more of that. I commend the minister for trying to experiment on that basis. But this interrelationship cannot be allowed to develop so that it in effect becomes incest between government and the private sector. I suggest, on the face of the matter and on the initial facts, that until the minister stood in his place today and gave a very detailed statement there were naturally questions that arose.

I shall not say much more. I think the whole problem of ITT could and very well may develop further questions in the not too distant future. This is not the first advent of ITT in government business. A company called Raynier

Pulp and Paper, which is interested in pulp and paper rights in Canada, I am informed has received federal funds. Some of the timing of the federal commitment for federal funds might be involved in postal problems, but when we have a conglomerate like ITT and see the problems they have south of the border I think we have to ask questions.

To avoid these matters coming up on a recurring basis it is not the minister's but the government's responsibility to define a code of ethics so that parliamentarians in the Senate and in the House and also top administrators will be able to discharge their duties without getting caught in this type of crossfire. I believe we should have a committee to look into this matter. There should be terms of disclosure of personal interest in any legislative or administrative acts. We should come at least as far as Britain has come, let alone the United States, and define very carefully a code of ethics so this will not happen again.

Mr. David Lewis (York South): Mr. Speaker, I think the minister has perhaps misconceived the problem. The problem is not the integrity of public servants. I and my colleagues certainly do not question the integrity of Mr. Mackay and Mr. Moody who I am sure are very decent Canadians trying to do a job as they see it. I think the long explanation the minister gave in order to try to clear these two men of any suggestion of improper action may have been necessary in his own mind, but that is not the point at all. The point is that the entire situation is such as to create doubt about what is happening in the department and in other departments. The point is that if you are going to do business with ITT it is wrong to have as deputy minister an ex-president of ITT. The point is that if the government is going to do a large business with ITT it is wrong to have a senior official of the department seconded to ITT. These are the issues.

If the minister or the government tells me this is the only source for the equipment or the only company to which to send someone I tell them that they are downgrading Canada a great deal too much. There are other areas where these people could go and there are other firms where they could be trained. This cosy connection between the government and ITT of having a senior official there at the time the specification books arrive, when the specification books have to be studied, when the tender has to be made, this coincidence of a senior official of the department being there at that time seconded to the company—that is the kind of thing that creates problems and creates conflict of interest. No detailed statement about duties and all that will wash away the fact that there is a conflict of interest.

Anyone who has studied our society has long ago abandoned the notion that the company and the deputy minister or somebody from the department sit down in a smoke-filled room and cook up something. That is not the way it is done. It is done at luncheons. It is done at cocktail parties. It is done at dinners. It is done on the golf course and it is done in the boathouse. It is that kind of association that throws doubt on what is being done. Precisely because a government department is involved and tens of millions of dollars of the money of Canadian taxpayers, action must never be undertaken in a way which may even remotely suggest the kind of thing that this action now suggests.

• (1430)

The hon. member who preceded me referred to ITT Rayonier in Quebec which has been offered $13.7 million by the Department of Regional Economic Expansion. I think of the fact that there are two members of the minister's advisory board who are officers of companies which have been offered grants of over $7 million. I think of the remission by the Governor in Council on the recommendation of the previous Minister of Finance of $6 million to Great Canadian Oil Sands Limited, a subsidiary of Sun Oil in Alberta—a $6 million Christmas gift, I think of the statement of one of the spokesman for the Liberal party in Ontario to the effect that 95 corporations finance the activities of the government party between elections and at election time, and I say I am thoroughly justified in suggesting that the cosiness between the government and corporations such as ITT is a disservice to Canada and a disgrace to the democratic system. This is what disturbs me.

Despite the detailed and elaborate statement the minister has made I want to express the hope that the Standing Committee on Transport and Communications which will be studying the department's estimates will not be satisfied with the details that the minister gave. He has referred to a number of documents and you, Sir, ruled the other day that documents which are quoted or to which reference is made should be laid on the table. I hope that when the committee discusses the department's estimates it will demand that the minister lay on the table the submission to Treasury Board, the studies carried out by the two departments to which he referred, the Department of Supply and Services and the Department of Industry, Trade and Commerce, the actual contract with ITT, the specification books for the two orders, Mr. Fultz's report on the Plessey equipment, and the tenders submitted by all bidders. We have to see all these documents in order to make certain that the specifications were not tailored to ITT possibilities.

NEGOTIATIONS BETWEEN TREASURY BOARD AND UNIONS— REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O.43

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, under Standing Order 43, I would like to move a motion on a matter of pressing necessity. I ask for the consent of the House to propose a motion without notice in this regard. The urgency and the pressing nature of this matter concern the reasonable possibility of a cessation of postal services in Canada in the very near future. We are told that talks are now going on between Treasury Board and the postal unions, but the President of the Treasury Board has admitted that the board has not made a proposal on the essential issues of wages and job security guarantees. In the public interest there is urgency and a necessity that Treasury Board negotiate in good faith. Therefore I move, seconded by the hon. member for Peace River (Mr. Baldwin):

That this House instructs the President of the Treasury Board to report to the House on the status of the bargaining and the

proposals made by the Treasury Board to the postal unions on Tuesday and on each succeeding Tuesday until a collective agreement is signed.

Mr. Speaker: Hon. members have heard the motion proposed by the hon. member for Hamilton West. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity. The motion cannot be put.

* * *

REGIONAL ECONOMIC EXPANSION

REJECTION OF PORT SIMPSON CANNERY PROPOSAL—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O.43

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, under the terms of Standing Order 43 I move, seconded by the hon. member for Vancouver-Kingsway (Mrs. MacInnis), as a matter of urgent and pressing necessity which I am sure the Minister of Regional Economic Expansion will understand:

That the rejection by the Minister of Regional Economic Expansion of the Port Simpson Cannery proposal, as a project under the terms of the ARDA agreement with the province of British Columbia, be referred to the Standing Committee on Fisheries and Forestry for investigation and report.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity and the motion cannot be put.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

REMOVAL OF E.B. EDDY COMPANY PLANT, HULL, QUEBEC

Question No. 22—**Mr. Crouse:**

Is it the intention of the government to remove, at public expense, the E.B. Eddy Plant in Hull, Quebec and, if so, when will this action be taken and what is the anticipated cost of this environmental clean up?

Hon. Ron Basford (Minister of State for Urban Affairs): This question was answered by a statement from the Hon. Ron Basford to the House on February 21, 1972 to the effect that: (a) The E.B. Eddy Company will transfer roughly 44 acres of land to the National Capital Commission including most of the waterfront land on the north bank of the river across from Parliament Hill; (b) This transfer will be made possible by the closing down of the Eddy sulphite and groundwood mills and its newsprint machine which will take place over the next few weeks; (c) In exchange for the transfer of land, and the commitments by the company, National Capital Commission will pay the company $29,500,000. (d) This is the first stage of a ten year plan to move the whole Eddy complex from its present location to a new site in the environs of Hull.

NATIONAL DEFENCE—NUMBER OF PERSONNEL IN RECEIPT OF PENSIONS

Question No. 34—**Mr. Knowles (Winnipeg North Centre):**

1. How many retired Armed Forces personnel are receiving pensions including their basic pensions and any supplement or supplements added thereto, of amounts within each of the following brackets (a) less than $20 per month (b) $20 to $29.99 per month (c) $30 to $39.99 per month (d) $40 to $49.99 per month (e) $50 to $59.99 per month (f) $60 to $69.99 per month (g) $70 to $79.99 per month (h) $80 to $89.99 per month (i) $90 to $99.99 per month (j) $100 to $149.99 per month (k) $150 to $199.99 per month (l) $200 to $249.99 per month (m) $250 to $299.99 per month (n) $300 per month and over?

2. How many widows of Armed Forces personnel or of retired armed forces personnel are receiving pensions including their basic pensions and any supplement or supplements added thereto, of amounts within each of the brackets indicated in the above question?

3. What is the total number of retired Armed Forces personnel and also the number of widows of armed forces personnel or of retired armed forces personnel presently residing in each province?

4. In respect of how many orphans of Armed Forces personnel are pensions being paid and what is the average amount thereof?

Hon. E. J. Benson (Minister of National Defence): 1. (a) 3, (b) 31, (c) 303, (d) 282, (e) 367, (f) 391, (g) 732, (h) 1,005, (i) 1,478, (j) 5,702, (k) 7,270, (l) 6,138, (m) 4,656, (n) 6,931.

2. (a) 0, (b) 7, (c) 21, (d) 185, (e) 277, (f) 308, (g) 259, (h) 357, (i) 302, (j) 837, (k) 401, (l) 219, (m) 130, (n) 77.

3.

	Retired Personnel	Widows
Newfoundland	109	14
Prince Edward Island	254	27
Nova Scotia	3,033	210
New Brunswick	1,047	115
Quebec	3,179	306
Ontario	14,577	1,301
Manitoba	1,417	206
Saskatchewan	423	85
Alberta	2,812	182
British Columbia	7,224	714
Yukon and N.W.T.	62	0
Outside Canada	1,152	220

4. 83; $35.72.

NATIONAL DEFENCE—SUPERANNUATION ACCOUNT

Question No. 35—**Mr. Knowles (Winnipeg North Centre):**

1. What was the total amount of money in the Canadian Forces Superannuation Account as at (a) March 31, 1969 (b) March 31, 1970 (c) March 31, 1971?

Questions

2. What rate of interest has the government paid for the use of this money during the fiscal years ending on the dates noted above?

3. What amount of interest was credited to the Canadian Forces Superannuation Account during the fiscal years ending (a) March 31, 1969 (b) March 31, 1970 (c) March 31, 1971?

4. What was the total amount paid out of the Canadian Forces Superannuation Account during the fiscal years ending (a) March 31, 1969 (b) March 31, 1970 (c) March 31, 1971?

Hon. E. J. Benson (Minister of National Defence): 1, 3 and 4. This information is tabled in the House annually in accordance with Revised Statutes, and also appears annually in the Public Accounts.

2. See reply to your question No. 72 in *Hansard*, page 543-4, 26 October, 1970. Interest paid since then is as follows: Quarter ending September 1970, 1.3262 percent; December 1970, 1.3427 percent; March 1971, 1.3597 percent.

NATIONAL DEFENCE—NUMBER IN RECEIPT OF PENSIONS

Question No. 36—**Mr. Knowles (Winnipeg North Centre):**

1. In each year 1959 to 1971, both inclusive (a) how many personnel of the Canadian Armed Forces have commenced drawing pensions under the Canadian Forces Superannuation Act (b) how many widows have commenced drawing pensions under the said act?

2. In the same years, how many pensions under the Canadian Forces Superannuation Act (a) to retired Canadian Armed Forces personnel (b) to widows of such personnel, have been discontinued because of the death of the annuitant?

3. In each year 1946 to 1971, both inclusive, how many service personnel contributed to the pension or annuity account under the former Part V or under the provisions of the present Canadian Forces Superannuation Act?

Hon. E. J. Benson (Minister of National Defence):

1.	(a) Former	(b)
Year	CF Personnel	Widows
1959	752	98
1960	1,048	121
1961	1,418	166
1962	1,343	179
1963	1,623	207
1964	2,454	208
1965	3,419	283
1966	3,407	263
1967	2,983	303
1968	2,787	303
1969	4,050	371
1970	4,075	323
1971	4,267	375

[Mr. Knowles (Winnipeg North Centre).]

2.	(a) Former	(b)
Year	CF Personnel	Widows
1959	91	9
1960	103	12
1961	114	17
1962	127	19
1963	142	26
1964	169	28
1965	190	34
1966	208	39
1967	243	45
1968	295	56
1969	353	50
1970	356	52
1971	331	24

3. As the exact number of contributors to the C.F.S.A. account cannot be identified the following statistics are the strength in the Armed Forces as at March 31 of each year: 1946, 212,692; 1947, 36,535; 1948, 34,762; 1949, 41,676; 1950, 47,185; 1951, 68,427; 1952, 95,394; 1953, 104,427; 1954, 112,529; 1955, 118,077; 1956, 116,678; 1957, 117,092; 1958, 119,038; 1959, 120,412; 1960, 119,597; 1961, 120,055; 1962, 126,474; 1963, 123,694; 1964, 120,781; 1965, 114,164; 1966, 107,467; 1967, 105,584; 1968, 101,572; 1969, 98,340; 1970, 93,353; 1971, 89,563.

RCMP—OVERTIME PAY

Question No. 89—**Mr. Nesbitt:**

1. Do members of the RCMP receive overtime pay under any special circumstances or conditions?

2. When members of the RCMP are required to work overtime, is any sort of compensation made such as additional time off?

3. Is there any limit on the amount of overtime that a constable in the RCMP is required to work?

4. How do the average hours of work in fact put in by a constable in the RCMP compare with the actual hours of work put in by a constable in the Ontario Provincial Police or a constable on a metropolitan police force, such as Toronto?

5. Are there any areas in Canada where constables in the RCMP are obliged to put in as many as 300 hours per month on a reasonably regular basis?

6. Are there any areas in Canada, such as British Columbia where the RCMP are carrying out provincial responsibilities where constables are required to work as much as 300 hours per month?

Hon. Jean-Pierre Goyer (Solicitor General): 1. No, however, the Royal Canadian Mounted Police currently has projects underway in several areas of Canada for the purpose of examining the amount of overtime being worked by its members.

2. Additional time off may be granted on an informal basis.

3. No; however, no one is expected to work overtime to an extent that would be detrimental to his health.

4. The Royal Canadian Mounted Police do not maintain statistical data on the actual number of hours worked by other police forces.

5. No.

6. Yes, there have been a few isolated instances in some areas of Canada where abnormal situations existed.

"LAST OAK" DEVELOPMENT

Question No. 97—**Mr. McIntosh:**

1. Was the "Last Oak" Development on the four Indian Reserves in the Broadview are undertaken by DREE for the benefit of the Indians?

2. What amount has been spent to date on the project known as "Last Oak Park"?

3. What amount has been spent on legal fees connected with this project?

4. What amount has been spent on engineering fees connected with this project?

5. What amount has been paid to contractors not considered to be reserve contractors?

6. What is the amount estimated for administrative costs by the government on this project?

7. What amount have the Indian people received in direct salaries?

8. What are the names of the members of the Board of Control on the "Last Oak" project?

Hon. Jean Marchand (Minister of Regional Economic Expansion): 1. Yes. Under the terms of an agreement signed with the province of Saskatchewan, the Department of Regional Economic Expansion contributes approximately 90 per cent of the estimated costs of the project. However, responsibility for its implementation rests with the Last Oak Development Corporation which is composed of Indian representatives and is responsible for all expenditures and records relating to the recreation facilities planned for the park.

2. The Department of Regional Economic Expansion has reimbursed the province of Saskatchewan $123,944.41 for claims in respect of the planning and initial development of facilities in this project.

3. This is the responsibility of the Last Oak Development Corporation, which was incorporated under the Saskatchewan Companies Act in February 1969. The inquiry should, therefore, be addressed to the provincial government.

4. See answer to part 3.

5. See answer to part 3.

6. The estimated costs, as provided in the agreement, for provincial government staff are $52,000.

7. See answer to part 3.

8. The members of the Last Oak Development Corporation, who have responsibility for this project are: Mr. Jack Belanger, Ochapowace Band; Mr. Alfred Louison, Kahkewistahaw Band; Mr. Edwin Pelletier, Cowessess Band; Mr. Joseph Williams, Sakimay Band; Mr. Samuel Watson, Ochapowace Band; Mr. William Francis, Kahkewistahaw Band; Mr. Victor Sparvier, Cowessess Band; Mr. Riel Acoose, Sakimay Band.

DEATH PENALTY

Question No. 110—**Mr. Lambert (Bellechasse):**

1. (a) How many death sentences were imposed by the courts from January 1, 1967 to December 15, 1971 (b) how many sentences were executed (c) how many sentences were commuted?

2. For what crime was each of these persons sentenced to death?

Questions

3. (a) What are the names of those sentenced to death who have received a commutation (b) what was the date of the Order in Council connected with each commutation?

Hon. Jean-Pierre Goyer (Solicitor General): 1. (a) Thirteen, (b) None; (c) Eleven. In two cases, subsequent to the imposition of the death sentence, the verdict was altered on further legal proceedings.

2. Murder, in each case.

3.

(a) Douglas J. Booth	(b) January 4, 1968
René E. Castellani	January 4, 1968
Jean-Jacques Boivin	January 4, 1968
David A. DeLeon	January 4, 1968
Henri Boivin	January 4, 1968
Herbert M. Myers	January 4, 1968
Harold A. Ortt	January 4, 1968
Ovila Boulet	January 4, 1968
Leonard Otto Borg	July 3, 1969
Clifford Wickett Lurvey	December 23, 1970
William R. Rosik	February 4, 1971

STORAGE OF BUTTER

Question No. 114—**Mr. Lambert (Bellechasse):**

1. As of October 31, 1971, what quantity of butter was in storage?

2. Is this quantity more or less than that in storage as of October 31, 1970 and, if so, what is the difference?

[*Translation*]

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: 1. The quantity of butter in storage as of November 1, 1971, was 68,761,000 pounds.

2. November 1, 1971 stock holdings were 48,805,000 pounds less than that in storage as of November 1, 1970.

[*English*]

NUMBER OF RETIRED CANADIAN ARMY OFFICERS

Question No. 121—**Mr. Latulippe:**

How many Canadian Army Officers are retired and what was their average pension during the year 1971?

[*Translation*]

Hon. E. J. Benson (Minister of National Defence): Since the amalgamation of the three elements of the Canadian Forces, separate statistics are not maintained and it is not possible to say how many Army officers have retired. However, at present there are 9,299 retired regular force officers. The number of officers who retired but who are not drawing pensions is not known. In addition, a number of retired officers are employed in the Public Service and have their pensions abated in accordance with the provisions of the Canadian Forces Superannuation Act. In order to ascertain the average pension paid in 1971 it would necessitate going through the records of approximately 40,000 pensioners as ranks are not shown. The necessary expert staff is not available to undertake the large amount of work which would be required to gather the necessary information.

Questions

[*English*]

POST OFFICE DEPARTMENT—PRODUCTION OF "MAIL EARLY—IT FEELS GOOD" PAMPHLET

Question No. 129—**Mr. Coates:**

1. Did the Queen's Printer produce the pamphlet for the Post Office Department entitled, "Mail Early—It feels Good" and if not (a) who did produce it (b) was a contract issued and, if so (i) were tenders called (ii) was more than one bid submitted (iii) what was the name of the successful contractor (iv) what was the amount of the contract?

2. How many colour combinations were involved in the production of this pamphlet and what additional expense would be involved in the use of the additional colours over the basic number required in the production of the pamphlet?

3. Was the reproduction of the painting containing "Seasons Greetings" produced by the Post Office Department or was it the reproduction of an artist's creation and if so, who was the artist, is he Canadian, and what fee had to be paid to the artist for the reproduction of his painting?

4. How many "Mail Early—It Feels Good" pamphlets were produced and distributed and what was the total cost of both production and distribution?

Hon. Jean-Pierre Côté (Postmaster General): 1. No. (a) Montreal Lithograph, Montreal, P.Q.; (b) Yes; (i) Yes; (ii) Yes; (iii) As stated in (a); (iv) $54,100.

2. The basic graphic design warranted four colour process as requisitioned and contracted.

3. Yes, the artwork was produced internally by the Post Office.

4. 2,200,250; Total cost of production, $59,854.26; Total cost of distribution, $3,957.05.

DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT—PERSONNEL

Question No. 140—**Mr. Marshall:**

Of the approximately 3,000 people working for the Department of Indian Affairs and Northern Development who were transferred or have left the Department in each of the past two years, approximately how many were (a) casuals (b) transferred to the Northwest Territories Government?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Approximately 1,900 casual employees were terminated in each of the past two years. Five hundred and fifty-two employees were transferred to the government of the Northwest Territories in the past two years.

OPPORTUNITIES FOR YOUTH PROGRAM—TASK FORCE REPORT ON SUMMER PROJECTS

Question No. 192—**Mr. Orlikow:**

1. Has a task force been set up to review the summer projects of the Opportunities for Youth Program and, if so (a) by whose authority was the task force appointed (b) who are the members of such force?

2. Is it the intention to publish the full report without prior editing and, if not, will a synopsis of the report be published?

3. Is it the intention to send the report to a Parliamentary Committee for consideration?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): 1. (a) A task force was established by the Secretary of State to provide an evaluation of the department's student summer programs. (b) The senior staff of the evaluation task force were: Mr. Andrew Cohen (Task Force Coordinator); Mr. Claude Gousse (Quebec Coordinator); Mr. Jonathan Cloud (Research Coordinator); Mr. Henry Green (Research Design & Analysis); Mr. Charles Barber; Miss Michèle Lepage; Miss Bette Byers; Mr. Pierre Desrosier; Miss Louise Fortin; Mr. Peter Eddison; Mr. Lewis Levin; Mr. Brian Lewis; Miss Louise Beaulieu; Mr. Keith Aird.

Management consultants were Mr. Gilles Ouellette and Mr. George Forsyth of the University of Western Ontario. Approximately 15 technical and secretarial staff provide support services, and a number of personnel were hired on a short-term basis to conduct interviews during the month of August. The advisory board to the task force was composed of the following: Mr. Mel Green, Senior Research Assistant, Commission on the Non-medical Use of Drugs; Miss Lillian Thomson, former Director of Family and Child Welfare Division, Canadian Council on Social Development, and author of the Council's series of reports on transient youth; Mr. William Zimmerman, Assistant Director, Ottawa Social Planning Council.

2. From the data developed by the evaluation task force, a report was drawn up by the Systems Research Group Inc., and was tabled on December 6, 1971. For hon. members who might be interested in a more detailed analysis, this should be available before the end of the month.

3. No.

[*English*]

CBC—EMPLOYMENT OF INDIANS, ESKIMOS AND MÉTIS

Question No. 218—**Mr. Yewchuk:**

1. For each year 1961 to 1970, by province and territory, how many (a) Indians (b) Eskimos (c) Metis were employed (i) full-time (ii) part-time by CBC radio and television broadcasting industry?

2. For each fiscal year 1969/70 and 1970/71, how many (a) Indians (b) Eskimos (c) Metis did CBC lay off for want of funds?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: The Corporation does not have this personnel information. Under the Canada Labour Code, questions as to race and national origin, colour or religion are not permitted to be asked.

[*English*]

BUTTER IMPORTS

Question No. 265—**Mr. Rodrigue:**

1. How many pounds of butter did Canada import between April 1, 1971 and December 15, 1971?

2. From what countries was butter imported?

3. Is it the intention of the government to import butter between December 15, 1971 and March 31, 1972 and, if so (a) in what quantities (b) at what average cost?

Mr. J. A. Jerome (Parliamentary Secretary to the President of the Privy Council): I am informed by Statistics Canada and the Department of Agriculture as follows: 1. Information as requested is not available, however, Canada imported 3,083,800 pounds of butter between April 1, 1971 and the end of December, 1971.

2. In this period, butter was imported from New Zealand and the United States.

3. Yes (a) 10,600,000 pounds, (b) 52¼ cents per pound f.o.b. storage point.

ORAL QUESTION PERIOD

YOUTH

OPPORTUNITIES FOR YOUTH—SUGGESTED TABLING OF EVALUATION REPORT ON 1971 PROGRAM

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Prime Minister concerning the unpublished report, Summer 1971, an evaluation task force report, at least parts of which are reported to have been leaked to the *Citizen* today. The report was supposed to have been completed in December at a cost of some $400,000. Has the Prime Minister any reason he can give to the House why this task force report has not been tabled in the House or made public, although I understand that the deadline for applications for new projects for 1972 is about to expire?

Right Hon. P. E. Trudeau (Prime Minister): Unfortunately, I have not read the *Citizen* yet and I am not aware of the task force to which the hon. member is referring.

Mr. Stanfield: May I express the hope that in future—

An hon. Member: Question.

Mr. Stanfield: —these reports will be leaked to the Prime Minister as well as the public.

Mr. Hees: It is a special department of Information Canada.

Mr. Forrestall: That is a squeak, not a leak.

An hon. Member: You know what happened to Morison.

Mr. Stanfield: I should like to ask the Prime Minister whether he would give the House the assurance that this task force report will be made public, as has frequently been promised by the Secretary of State, particularly in view of the highly critical nature of the task force report with regard to last summer's programs.

Mr. Trudeau: In his supplementary question the Leader of the Opposition still has not indicated what task force report he is referring to. I asked the ministers around me and nothing is apparent from the hon. member's question.

Mr. Stanfield: I rise on a point of order, Mr. Speaker. If the Prime Minister and the ministers around him would listen they would know that I described the task force report at the outset of my question as being the Summer 1971, evaluation task force report. It is the task force report on the 1971 summer program. The Prime Minister can smile about it but I do not think he will smile quite as much when he sees the paper.

Mr. Trudeau: We did a lot of things in the summer of 1971, and I would be interested to know what this evaluation is all about.

Mr. Stanfield: If it will help the Prime Minister it concerns the youth program for the summer. I am asking the Prime Minister for an assurance that this task force report will be published now. Apparently it has been buried for some three months.

Mr. Trudeau: I will gladly look into the matter now that the question is clear.

* * *

TAXATION

SALES TAX REMISSION TO GREAT CANADIAN OIL SANDS LIMITED—INQUIRY AS TO OTHER APPLICATIONS AND REMISSIONS

Mr. David Lewis (York South): Mr. Speaker, I want to ask the Minister of Finance one or two questions arising from the question I asked about a week ago with respect to the $6 million remission of sales tax to Great Canadian Oil Sands Limited. Have other companies made application for such remissions and have such remissions been made by Order in Council under section 17 of the Financial Administration Act, I believe it is, or under any other act that I may not know about?

• (1440)

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the Leader of the Opposition asked me that question last week and I undertook to ascertain whether there were any other similar applications for remissions. I am advised there are none.

Mr. Lewis: Mr. Speaker, would the minister undertake to lay on the table a list of any applications made for remissions under section 17 of the Financial Administration Act, and any decisions to remit such money? I appreciate that I can find the Orders in Council by going through all the copies of the Canada Gazette, but perhaps the minister would table such a list for the information of hon. members and the country, say for the years since April, 1968.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I will not give any undertaking to submit the applications. After all, it only becomes a valid situation when an Order in Council is passed. The hon. member has suggested that Orders in Council are public documents, but I will arrange that the public documents be collected for his convenience.

SALES TAX REMISSION TO GREAT CANADIAN OIL SANDS LIMITED—INQUIRY AS TO OTHER GRANTS TO GREAT CANADIAN OR SUN OIL

Mr. David Lewis (York South): Mr. Speaker, since the Minister of Finance would not have authority over other departments may I direct this supplementary question to the Prime Minister. Would the Prime Minister have someone check into the question whether Great Canadian Oil Sands Limited or Sun Oil Company, its parent American

corporation, or any subsidiary of Great Canadian Oil Sands Limited or of Sun Oil Company Limited has received grants from any other department of government, whether the Department of Regional Economic Expansion or the Department of Industry, Trade and Commerce under the various programs they administer, or from any other department?

Mr. Speaker: Order, please. The Prime Minister may wish to reply to the question, but the hon. member will appreciate that a question as far-ranging as this one is normally placed on the order paper. The hon. member is asking for very detailed information covering many departments. I respectfully suggest to him that normally such a question would be placed on the order paper, but that having been said, perhaps the Prime Minister may wish to reply to the hon. member.

Right Hon. P. E. Trudeau (Prime Minister): I agree with you, Mr. Speaker, and my answer to the question is yes.

SUGGESTED REMISSION TO COMPANIES AND MUNICIPALITIES OF SALES TAX PAID ON PRODUCTION MACHINERY BETWEEN 1963 AND 1967

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, as the government believes it is justified in making a remission of $6 million to Great Canadian Oil Sands Limited because of financial hardship incurred through paying sales tax on production machinery between 1963 and 1967, is it undertaking or will it undertake a review of all cases where companies or municipalities paid sales tax on production machinery during those four years to satisfy itself whether or not any other instances of financial hardship occurred, and in those cases will othe government remit the sales tax involved?

Hon. John N. Turner (Minister of Finance): I can only say in answer to the hon. member, Mr. Speaker, that this case was treated on its merits.

Mr. Hees: Mr. Speaker—

Mr. Speaker: Order, please. We have to move on. We have spent quite a bit of time on this question. The hon. member for Portneuf.

Mr. Hees: On a point of order, Mr. Speaker, as it appears satisfactory to make a remission to a very large company, is it not sensible to look into the cases of all municipalities and companies that might have had similar difficulties, and see if it is not worth while to pay them a remission also—

Mr. Speaker: Order, please.

[*Translation*]

I apologize to the hon. member for Portneuf. It was him who was recognized. The hon. member for Portneuf.

[Mr. Lewis.]

MANPOWER

LOCAL INITIATIVES PROGRAM—REFUSAL TO ACCEPT CERTAIN MUNICIPAL PROJECTS—REQUEST FOR ADDITIONAL FUNDS

Mr. Roland Godin (Portneuf): Mr. Speaker, I would like to ask the Minister of Labour a question.

Since, in order to have access to the Local Initiatives Program, municipalities had to have architects or even engineers draft their projects, could the minister tell us whether the government intends to give special grants to some municipalities which have spent thousands of dollars to draft projects that were rejected?

[*English*]

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, I will have to take that question as notice.

LOCAL INITIATIVES PROGRAM—INQUIRY AS TO INDEPENDENT AUDIT AND EVALUATION—EARLY PUBLICATION OF REPORT

Mr. David MacDonald (Egmont): Mr. Speaker, my question is somewhat supplementary to the first questions asked with regard to the partly leaked report of the Cohen group on last summer's youth program. It is directed to the Minister of Labour. The minister indicated this morning at the meeting with the Canadian Labour Congress that in light of the request by the CLC he would be prepared to have an independent audit of both the LIP program and the opportunities for youth program, and that a similar audit might exist for LIP as existed last summer for the youth program. Can the minister indicate if this audit study has been established, what its terms of reference are, and whether its terms of reference will allow such audit to be in fact independent and public?

Hon. Martin P. O'Connell (Minister of Labour): Yes, Mr. Speaker, the establishment of an independent audit to do a thorough review and evaluation of the LIP program is now in an advanced stage.

Mr. MacDonald (Egmont): Mr. Speaker, I wish to direct a supplementary question to the Prime Minister. Now that the Prime Minister's memory has been refreshed, I wonder what steps he may be taking, along with his colleagues, to ensure speedier performance in the publication of such evaluation and to ensure that there will be an objective report which will not suffer the early editing that the Cohen report suffered in September?

Mr. Speaker: Order, please. The hon. member for Hamilton West.

Mr. MacDonald (Egmont): Mr. Speaker—

Mr. Speaker: Order. If the hon. member wants to ask a question that is acceptable procedurally he should not submit one that contains argument. Perhaps the hon. member may want to rephrase his question. Otherwise I will have to go to the next questioner.

Mr. MacDonald (Egmont): Mr. Speaker, I am sorry you viewed that question as argumentative. Can the Prime Minister indicate whether or not steps are being taken to provide a public forum in which there can be an objective

report on the effectiveness and the sufficiency in meeting goals of the local initiatives program as well as the opportunities for youth program?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I shall gladly look into that matter, just as I undertook to look into the matter raised by the Leader of the Opposition once he had clarified his question.

LOCAL INITIATIVES PROGRAM—REQUEST FOR INVESTIGATION OF GRANT TO SCENE AFTER SCENE FREE THEATRE

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I wish to direct a supplementary question to the Minister of Labour regarding the LIP program. In light of the fact that a $40,000 grant under the LIP program has been given to the Scene After Scene Free Theatre in Dundas, Ontario, to produce plays that allegedly oppose the political, economic and social systems upheld by the government and intending to propagandize communism, would the minister at the earliest opportunity, preferably forthwith, look into this matter in order to ascertain whether or not this project meets the criteria of the program, what in fact were the criteria set for this group, and report back to the House immediately?

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, this matter was brought to my attention this morning by my colleague, the Minister of National Health and Welfare.

Some hon. Members: Oh, oh!

Mr. Hees: For a very good reason.

Mr. O'Connell: I have been looking into it and I have asked for a full review and report. The project was monitored on February 21 and will remain under continuous review. At that time it was said to be proceeding within the contract requirements. I agree with the hon. member, as we all do, that anyone who is reported in the press as being interested in agitational propaganda is of very little interest to us. We are going to review that project.

Mr. Alexander: Mr. Speaker, I wish to ask just one supplementary question. In view of the seriousness of this allegation, since we understand that the purpose of the LIP program is to produce work, and since I believe that the grant is to be made in five payments, will the minister assure the House that further payments will be withheld until such time as he can report fully to the House on the conclusions that have been reached?

Mr. O'Connell: Yes, Mr. Speaker. However, I do wish to report that the first payment, which is normally just an advance payment, has been made. No further payments have yet been made, and we will be looking at the project in the meantime.

Inquiries of the Ministry

REGIONAL ECONOMIC EXPANSION

ALLEGED INCOMPATIBILITY OF STATISTICS ON EMPLOYMENT PROVIDED

Mr. James A. McGrath (St. John's East): Mr. Speaker, I wish to direct a question to the Minister of Regional Economic Expansion. Would the minister indicate why the level of actual employment in 1971 due to "all new facilities assisted under ADIA" is 19,269 jobs in his department's publication, "Statistical Review of Regional Development Incentive Activity," dated February, 1972, compared with a total of estimated employment standing at 58,782 in the annual report of the Department of Regional Economic Expansion for 1970-71?

• (1450)

Mr. Speaker: Order, please. I am sure the hon. member will appreciate that this kind of question is not in order. This is debate. The hon. member is inviting the minister to debate a point rather than seeking information. Perhaps the hon. member might try to rephrase the question and ask it more directly.

Mr. McGrath: Mr. Speaker, I should like to rephrase the question by asking the minister to explain the difference which exists in the departmental publication estimating the number of jobs created under ADIA or RDIA to April at 50 per cent less than the figure he takes credit for in his annual report, which is a public document?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, since I noticed last week that the hon. member is not able to read statistics, I will read his question carefully, check the figures and then give him an answer.

[*English*]

Mr. McGrath: Mr. Speaker, I can assure the minister that my reading is perhaps a little better than his because I am quoting from a departmental document which he apparently has not read. I would ask the minister—

Mr. Speaker: Order, please. If the hon. member has a supplementary I would ask him to put it. We cannot embark on a debate between the member and the minister.

Mr. McGrath: Mr. Speaker, may I ask by way of a supplementary question if the technique of his department in trying to evaluate the number of jobs created under RDIA or ADIA is to contact successful applicants across the country by telephone? Does he think that this actually constitutes an accurate evaluation?

Mr. Speaker: Order, please. The hon. member for Regina East.

INDUSTRIAL INCENTIVES ADVISORY BOARD—REQUEST FOR TABLING OF MINUTES BEARING ON MEMBERS' POSSIBLE CONFLICT OF INTEREST

Mr. John Burton (Regina East): Mr. Speaker, I wish to direct my question to the Minister of Regional Economic Expansion. In view of some questions I asked him last

week concerning the operations and activities of the Industrial Incentives Advisory Board, can the minister now tell us if this board keeps minutes of its meetings? Also, in view of some of the questions that have arisen, would the minister care to table the minutes of the meetings of the board or such portions of the minutes of the meetings of the board that concern matters where the possibility of a conflict of interest might arise?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, I am not aware whether the council, which acts only as an advisory body to ministers, keeps any minutes. I shall inquire into the matter and inform the House, in reply to this "substantive" question, whether I can table the documents.

[*English*]

Mr. Burton: Mr. Speaker, while the minister is making his inquiries and looking into the matter, would he also inquire into the methods of operation of the board when situations arise in which there is a possibility of conflict of interest? Does the person involved leave that meeting, refrain from discussion or abstain from voting on a recommendation?

Mr. Speaker: Order, please.

* * *

GRAIN

TWO-PRICE SYSTEM FOR WHEAT—REPRESENTATIONS CONCERNING METHOD OF PAYMENT

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, I have a question for the Minister of Justice who is responsible for the Canadian Wheat Board. Welcome though the $60 million anticipated payment to Canadian farmers may be under the guise of a domestic two-price system for wheat, may I ask whether the minister has received representations from the prairie pools to the effect that the proposed method of payment does not reflect a fair proposition to wheat farmers? If so, will the problem be discussed further with farm organizations before the payment policy is finally determined?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, representations were received from certain officials in at least several of the pools which might have led to a different conclusion for distribution than the one that was adopted. However, representations from individual pool committees as well as many farmers and farm organizations favoured the formula that we actually used.

TWO-PRICE SYSTEM FOR WHEAT—DATE OF PAYMENT TO FARMERS

Mr. S. J. Korchinski (Mackenzie): I have a supplementary question, Mr. Speaker. Since the government has now announced the method by which it will make the payments, when can the farmers expect these payments so they can reduce their indebtedness and thereby save some interest on long-term debts?

[Mr. Burton.]

An hon. Member: That's how they hope to win the election.

Mr. Korchinski: You can forget that.

Mr. Lang: Mr. Speaker, as indicated in the announcement on the method of distribution, we expect the first distribution to be made in the spring.

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, may I direct a supplementary question to the minister. Will there be a supplementary estimate between now and the end of March to take care of this particular matter?

Mr. Lang: Mr. Speaker, that is the intention.

* * *

ADMINISTRATION OF JUSTICE

RELEASE OF YVES GEOFFROY FROM ST. VINCENT DE PAUL PENITENTIARY—REQUEST FOR JUDICIAL INQUIRY AND FURTHER STATEMENT

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, my question is for the Solicitor General. Now that the honeymoon couple has been located with ease in Barcelona, and in view of reports that certain moves were made prior to the release of Geoffroy, will the minister now reconsider his position and direct the holding of a judicial inquiry?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, the opposition has drawn my attention for the last two months to discrepancies and irregularities which they claim have been happening in my department and they have been unable to date, to substantiate to my satisfaction any discrepancy or irregularity. They have brought to my attention a lot of rumors and fabrications.

Until such time as a discrepancy or an irregularity has been substantiated, I do not think an inquiry is necessary and our only concern is to bring Mr. and Mrs. Geoffroy back to Canada to face trial.

[*English*]

Mr. Forrestall: Nonsense.

Mr. Woolliams: In view of the statement just made by the minister—he judges his own facts—I wonder if he would, at a convenient time, since the question of extradition may be involved here, make a full statement to the House once again about this matter? I do not want my question to be argumentative, but the minister said that if there were irregularities or illegalities the matter would be looked into and I submit he is judging these matters himself.

An hon. Member: And so are you.

[*Translation*]

Mr. Goyer: Mr. Speaker, I have never hesitated to answer any question directed by the opposition on the subject of the authorization given to Mr. Geoffroy to leave the penitentiary to get married. I have always declined to

answer the question of the opposition regarding the police inquiry and I believe I was right.

[*English*]

METHOD OF EXTRADITION OF YVES GEOFFROY AND WIFE FROM SPAIN

Mr. Stanley Knowles (Winnipeg North Centre): I have a supplementary question, Mr. Speaker. I wonder if the Solicitor General can tell the House under what treaty or other arrangement the extradition of this couple back to Canada will be sought?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, I think that the question should be directed to the Secretary of State for External Affairs.

[*English*]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I redirect my question to the Secretary of State for External Affairs.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, we have a treaty with Spain for the mutual surrender of fugitive criminals which was signed in London on June 4, 1878.

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): Signed by whom?

Mr. Woolliams: It must have been signed by Sir John A. Macdonald himself.

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THE BUDGET

INQUIRY AS TO DATE OF PRESENTATION

Mr. G. W. Baldwin (Peace River): Mr. Speaker, if I may jump from the past to the future, may I ask the Minister of Finance if he is now sufficiently comfortable in his new and exciting role and challenging job to be able to tell the House whether he is going to bring in a budget before Easter?

Hon. John N. Turner (Minister of Finance): Not that comfortable, Mr. Speaker.

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AUDITOR GENERAL

REASON FOR DELAY IN TABLING OF REPORT

Hon. D. S. Harkness (Calgary Centre): Mr. Speaker, may I direct a question to the Prime Minister. Since the Financial Administration Act provides that the report of the Auditor General shall be laid before the House of Commons by the minister on or before December 31 or, if parliament is not then in session, within 15 days after the commencement of the next ensuing session, and since this is the eighteenth day of the present session, why has this report not been laid before parliament. What excuse, if any, is there for this breach of the law?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will have to discuss this matter with the office and look into it.

Mr. Stanfield: You understood the question, did you?

Some hon. Members: Oh, oh!

Mr. Trudeau: Did you? Mr. Speaker, it is always a pleasure to hear questions which, when asked for the first time, are clear as the hon. member's invariably are.

Mr. Hees: Let us have a clear answer.

Some hon. Members: Oh, oh!

Mr. Harkness: Mr. Speaker, there was a lot of noise and I do not think the Prime Minister answered the question.

Mr. Trudeau: Yes, I did, Mr. Speaker. I said that I would undertake to look into it.

* * *

MANPOWER

LOCAL INITIATIVES PROGRAM—GRANT TO PROCESS OF THE FINAL JUDGMENT—REQUEST FOR TABLING OF ENDORSEMENTS

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the Acting Minister of Manpower and Immigration. Can the acting minister confirm the statement of the Acting Prime Minister last week that the $26,000 local initiatives program grant to a project of a group called the Process of the Final Judgment was endorsed by the YMCA, the Bank of Montreal, the Ontario Department of Health, the Toronto Doctors Hospital and the centre for the mentally retarded? Also, can the minister table whatever endorsations these respective institutions gave this project?

• (1500)

Hon. Martin P. O'Connell (Minister of Labour): Yes, Mr. Speaker. I have read the letters which, in some cases, are an endorsation of the project and in other cases from the people operating the project. I would have no objection to tabling them, but out of courtesy perhaps I ought to clear this with the persons who have submitted the half dozen or so letters. If the hon. member will see me in person, I will be delighted to show them to him.

Mr. Nesbitt: I thank the minister for offering to show me the correspondence personally. Perhaps later this week the minister can confirm whether or not he will be able to table them.

Mr. Speaker: Order, please.

Mr. Baldwin: I rise on a point of order, Mr. Speaker. I will not make any motion at this time, but having in mind the very brilliant judgment which the Chair made on the

application of the hon. member for Calgary North it might well be that the minister might consider he has a duty to table these documents.

Mr. Speaker: The hon. member says he is not making a motion now. If he reads the precedents and the ruling to which he referred, he will note that it has reference to documents quoted, and not documents to which reference is made. In any event, the question is theoretical at the present time. The hon. member knows that is the distinction.

Mr. Baldwin: The Secretary of State for External Affairs quoted from them.

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POST OFFICE

CONTRACT TO ITT—INQUIRY AS TO LOWEST TENDER

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): My question is to the Postmaster General. It arises out of the statement he made this afternoon with regard to the two contracts given to ITT Canada Limited. With reference to both the first contract on which there were five bids and the second contract on which there were two bids, was ITT Canada Limited the lowest tenderer for both of these contracts?

[*Translation*]

Hon. Jean-Pierre Côté (Postmaster General): Mr. Speaker, I believe I said in my statement a while ago that, over a 15-year period, the total cost of the second contract would be lower, that is with ITT, because their equipment requires less space, fewer machines and operators, etc.

With regard to the first contract, two companies put in bids; these were almost identical but the cost of the ITT equipment was lower than that of Telefunken.

[*English*]

Mr. Douglas: In view of the fact the tenders were accepted and therefore, I presume, met the specifications, may I ask the minister if the lowest tender was accepted in each case?

[*Translation*]

Mr. Côté (Longueuil): In the case of the first call for tenders, Mr. Speaker, bids were received from five companies, two of which offerred to put at our disposal equipment corresponding to our specifications. The lower of these two was that of ITT Canada.

[*English*]

Mr. Speaker: Order, please. I again bring to the attention of hon. members that we will soon be running short of time. The Chair will recognize the hon. member for Annapolis Valley, but there should not be too many supplementaries if we want to proceed in an efficient manner.

[Mr. Baldwin.]

CONTRACT TO ITT—POSSIBLE PARTICIPATION OF JACK MOODY IN DEVELOPMENT OF SPECIFICATIONS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): One brief supplementary. May I ask the minister if Mr. Jack Moody, who worked for the minister's department and later was assigned to ITT Canada Limited, had any part in preparing the specifications sent to the various companies?

[*Translation*]

Hon. Jean-Pierre Côté (Postmaster General): Mr. Speaker, I will have to repeat what I said a while ago: Mr. Moody has never helped to prepare those specifications. The first ones were drawn up in November 1970 and Mr. Moody joined ITT in September 1971. He was therefore not an employee of that company when the specifications were drawn up and he was in no way involved.

[*English*]

CONTRACT TO ITT—ALLEGED LOWER BID BY PLESSEY

Mr. J. P. Nowlan (Annapolis Valley): I have a supplementary question, Mr. Speaker. Regardless of 15 years in the future, but solely on the basis of the specifications that were sent in effect to two eventual bidders, is it a fact there was a $30 million difference between the bid that was accepted from ITT Canada Limited and the Plessey bid?

[*Translation*]

Hon. Jean-Pierre Côté (Postmaster General): Mr. Speaker, I did not refer to $30 million. I said that if the contract had not been passed with ITT, from a budgetary point of view it would have cost the Post Office Department an additional amount of $18 million over a 15-year period.

As far as the price of equipment is concerned, I think that the Plessey equipment was cheaper, but since it was much slower that ITT's, it would have been costlier to operate.

[*English*]

Mr. Nowlan: With reference to the specifications that were sent out, is it correct to say that, regardless of the speed of putting letters through the mechanical equipment, on the basis of dollar difference there was approximately $30 million or more between the ITT bid and the Plessey bid?

Mr. Côté (Longueuil): Mr. Speaker, I will have to look at the figures. I do not have them in front of me, but I can supply the information to the hon. member.

* * *

[*Translation*]

MANPOWER

LOCAL INITIATIVES PROGRAM—ACCEPTANCE OF PROJECTS SUBMITTED AFTER JANUARY 6, 1972

Mr. René Matte (Champlain): Mr. Speaker, I should like to put a question to the Minister of Labour or the Minister of Finance.

It seems that, since last week, Mr. Speaker, we have been putting several questions about local initiative projects. It should be realized that this is very urgent, especially concerning projects which some municipalities have already submitted and which should normally be in force during the month of March.

This is why I should like to have answers to all the questions raised last week and, among others, this one: Do local initiative projects submitted after January 6 by municipalities stand a chance to be accepted even though there are no more funds for this purpose?

[*English*]

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, I have been unable to identify this precise date or precise projects. I invite the hon. member to meet with me following the question period so that we can come to an understanding about what we are speaking.

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ROYAL CANADIAN MOUNTED POLICE

POSSIBLE INVITATION TO HER MAJESTY TO ATTEND CENTENNIAL CELEBRATION

Hon. Marcel Lambert (Edmonton West): My question is to the Prime Minister. In light of the fact that Her Majesty the Queen is the honorary commissioner of the Royal Canadian Mounted Police and the fact that this year the RCMP is to celebrate the centenary of its founding, what consideration is being given by the government or what action is being taken to invite Her Majesty to attend these ceremonies?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am not involved in the planning of the ceremonies. However, I know that the force itself is making plans. The Solicitor General has discussed these with me in a general way. I do not know of any indication that they have asked to have Her Majesty invited at this time.

Mr. Lambert (Edmonton West): In light of the experience by the Prime Minister and other ministers with regard to the time required to negotiate arrangements for a Royal visit of this kind, does the Prime Minister not think it is time to do something about such an event?

Mr. Trudeau: Mr. Speaker, the House may have in mind that there is a question of inviting Her Majesty for the centennial of a province next year. These plans have already been under discussion between myself and the premier of that province. It is conceivable that some idea will be brought forward to see if Her Majesty can perform any other duties at that time.

* * *

PUBLIC SERVICE

DATE OF PUBLICATION OF BRYDEN REPORT ON STAFF RELATIONS ACT

Mr. Robert Muir (Cape Breton-The Sydneys): My question is for the Acting Minister of Manpower and Immigration. Is the minister yet in a position to advise when the report of the Bryden committee, which is studying the Public Service Staff Relations Act, will be made public or made known to the public?

Hon. Martin P. O'Connell (Minister of Labour): No, I am not, Mr. Speaker. I will make inquiries into that, first as to whether it is to be made public and, second, when.

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

Mr. Alexander: It is a related question, Mr. Speaker.

Mr. Speaker: If it is only related the hon. member may wish to give other hon. members, who have been trying rather diligently and anxiously to ask questions, an opportunity to do so.

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AGRICULTURE

FARM PRODUCTS MARKETING COUNCIL—DATE OF APPOINTMENT OF MEMBERS—INQUIRY AS TO REQUESTS FOR ESTABLISHMENT OF AGENCIES

Mr. R. E. McKinley (Huron): I wish to direct my question to whoever is answering today for the Minister of Agriculture. Have the members of the Farm Products Marketing Council yet been appointed, as provided some time ago in the marketing bill, and, if this has not yet been done, when will they be appointed?

Mr. Marcel Lessard (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I can say to the hon. member that they have not yet been appointed but these appointments will likely be made very soon.

• (1510)

Mr. McKinley: Can the parliamentary secretary advise us whether producers of any particular commodity have asked for an agency to be set up to regulate that commodity?

Mr. Lessard (Lac-Saint-Jean): I should like to check before answering that specific question. I know there has been a good deal of discussion of this subject, but I am not sure whether there has been a specific application.

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URBAN AFFAIRS

POSSIBLE CREATION OF LAND BANKS—STUDY OF UNITED STATES PROGRAM

Mr. S. Perry Ryan (Spadina): Mr. Speaker, my question is directed to the Minister of State for Urban Affairs. Is the government presently discussing with the provinces and the municipalities the creation of land banks in the cores or downtown areas of our cities and metropolitan areas?

Hon. Ron Basford (Minister of State for Urban Affairs): There is already a program for land acquisition by prov-

inces and municipalities with federal support under the terms of sections 40 and 42 of the National Housing Act.

Mr. Ryan: Is the minister looking carefully into the new federal program in the United States under which $5 billion is being set aside for the purpose of setting up land banks of the kind to which I have referred?

Mr. Basford: Yes, Mr. Speaker.

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THE CANADIAN ECONOMY

TAKEOVER OF PHARMACEUTICAL FIRMS BY UNITED STATES COMPANIES—DATE OF ANNOUNCEMENT OF GOVERNMENT POLICY ON FOREIGN OWNERSHIP

Mr. David Lewis (York South): Mr. Speaker, I should like to put a question to the Prime Minister. Has his attention been drawn to the fact that nine or ten Canadian pharmaceutical organizations or companies were recently taken over by United States corporations with the result that some 90 per cent of pharmaceutical shipments are now shipments by United States controlled pharmaceutical companies in Canada? If so, is the right hon. gentleman giving this matter any attention in relation to the policy which is to be announced eventually?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker, my attention has not been drawn to that situation. Therefore the answer to the second part of the question is no.

Mr. Lewis: A supplementary question—

Mr. Speaker: Perhaps the hon. member might ask a supplementary question, since there are only three or four minutes left before the end of the question period and I must again point out that a number of hon. members have not had a chance to ask a question, let alone a supplementary.

Mr. Lewis: I merely wanted to ask the Prime Minister whether the last two weeks have provided him with an opportunity to decide when government policy on foreign ownership might be announced, or whether he is still not in a position to give us any indication of a likely on-or-about date when we may expect such an announcement?

Mr. Trudeau: The latter, Mr. Speaker.

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EXTERNAL AFFAIRS

BOUNDARY BETWEEN CANADA AND UNITED STATES IN AREA OF GEORGES BANK— REQUEST FOR REPORT

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. The eleventh annual Canadian hydrographic conference was held in Ottawa last week and the event attracted a good attendance of United States hydrographers. Since there is some uncertainty concerning the exact position of the border between Canada and the United States in the area of Georges Bank off the coast of Nova Scotia, will the minister tell us whether this matter has been discussed with the Americans recently and, in view of possible oil reserves in this area, when we may anticipate a report on this important boundary?

Hon. Mitchell Sharp (Secretary of State for External Affairs): I should like to take notice of the question. Discussions have been going on from time to time. I am not certain, though, when the most recent of them took place, so I would ask for the indulgence of the hon. member to take the question as notice.

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NORTHERN AFFAIRS

POSSIBLE PURCHASE OF MUSKOX BY RUSSIA— PROVISION OF STOCK TO CANADIANS FIRST

Mr. Cliff Downey (Battle River): Mr. Speaker, in the absence of the Minister of Indian Affairs and Northern Development I would direct this question to the parliamentary secretary. It arises out of a function which was held in Edmonton recently at which schoolchildren presented Premier Kosygin with a muskox, at which time the Russian premier expressed the intention of purchasing muskox from Canada. May I ask whether requests by Canadians who have already expressed interest in starting enterprises, or have applied for the necessary permission, connected with the raising of muskox will be looked after before we sell any of these animals to the Russians?

Mr. Allen B. Sulatycky (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): I will take notice of the question, Mr. Speaker.

* * *

FAMILY INCOME SECURITY

FAMILY ALLOWANCES—DATE OF INTRODUCTION OF LEGISLATION

Mr. Ambrose Hubert Peddle (Grand Falls-White Bay-Labrador): Mr. Speaker, I direct this question to the Minister of National Health and Welfare. Can the minister inform the House when new legislation in connection with family allowances will be presented? Since he has already admitted that the new plan cannot be implemented by the original target date, can he advise us what the new target date will be?

Hon. John C. Munro (Minister of National Health and Welfare): We hope to bring the legislation before the House fairly soon. The date on which the new cheques can come into pay will depend on how rapidly the legislation is dealt with.

[*Translation*]

CANADIAN BROADCASTING COMPANY

QUEBEC—DISCONTENT RESULTING FROM TECHNICIANS' STRIKE— REQUEST FOR GOVERNMENT INTERVENTION

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I have a question for the right hon. Prime Minister.

As CBC technicians are playing the fools and the Canadian public, particularly in the province of Quebec, is quite upset by their behaviour, does the government intend to take any action in order either to give service to the people or, as the Prime Minister said, to close the shop, on the double?

[*English*]

Hon. Martin P. O'Connell (Minister of Labour): Perhaps I should answer that question as Minister of Labour, Mr. Speaker. I do not think there is any intention to intervene in the way the hon. gentleman has mentioned, but I would point out that mediators from the Department of Labour have now succeeded in bringing the two parties together for discussion of all the outstanding issues. The parties met regularly all last week and talks are continuing today.

REQUEST FROM WIRE SERVICE GUILD FOR PERMISSION TO PROSECUTE CORPORATION

Mr. J. P. Nowlan (Annapolis Valley): I have a supplementary for the Minister of Labour. Has the minister received a request from the Canadian Wire Service Guild seeking permission to prosecute or sue the CBC for an action amounting to an illegal walk-out?

An hon. Member: Walk-out?

Mr. Nowlan: If so, what was the nature of the hon. gentleman's reply?

Hon. Martin P. O'Connell (Minister of Labour): I have such a wire. I would have to look it up in order to see what reply I made to them.

Some hon. Members: Oh, oh!

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

CANADIAN NATIONAL RAILWAYS AND AIR CANADA

PROVISION FOR CAPITAL EXPENDITURES AND GUARANTEEING OF SECURITIES AND DEBENTURES

Hon. John N. Turner (Minister of Finance) moved that Bill C-4, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways system and Air Canada for the period from January 1, 1971 to June 30, 1972, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company and certain debentures to be issued by Air Canada, be read

the second time and referred to the Standing Committee on Transport and Communications.

Mr. Judd Buchanan (Parliamentary Secretary to Minister of Finance): Mr. Speaker, financing and guarantee bills, including the present one, have been introduced annually with the exception of the 1963 bill which covered 1962 and 1963, and the 1966 bill which covered 1965 and 1966. The present bill is basically the same as in previous years. It sets out, in summary form, the amounts of CNR's capital expenditures for 1971 as presented in its capital budget for that year totalling $219,800,000. This level of expenditures compares with $229,000,000 authorized in 1970. The bill also states that Canadian National Railways is authorized to make expenditures not exceeding $83,000,000 between January 1 and July 1, 1972 for obligations incurred prior to January 1, 1972 and to enter into contracts before July 1, 1972 for capital expenditures not exceeding $162,000,000 for which payment will not come due until after 1971.

The bill is intended to achieve six main objectives most of which have had similar expression in previous financing and guarantee bills.

First, the bill contains provisions authorizing Canadian National Railways to borrow up to $27,000,000 for financing branch line construction. This amount includes the financing of branch lines in excess of 20 miles authorized by special statute as well as the financing of those lines under 20 miles which do not require special legislation. By covering all branch lines, the provision in the bill is consistent with the intent of reflecting in the financing and guarantee bill all the financing authorities which Canadian National Railways require.

• (1520)

Second, the bill provides for the continued purchase by the Minister of Finance of Canadian National Railways' 4 per cent preferred stock through to the end of the calendar year 1972. This continues the practice of previous financing and guarantee acts. The 1970 Financing and Guarantee Act extended to December 31, 1971 the expiry date of the authority granted by the Canadian National Railways Capital Revision Act of 1952 for the purchase of such stock equivalent to 3 per cent of the company's gross revenue.

Third, as in previous years the bill provides authority for the government to make temporary advances to Canadian National Railways and Air Canada to meet deficiencies in operating revenues up to June 30, 1972. Such advances are repaid later in the year from the companies' revenues. If these prove inadequate, the insufficiency is covered by a parliamentary appropriation.

Fourth, the bill contains an option similar to that contained in the 1970 Financing and Guarantee Act which would enable Air Canada to borrow $114 million prior to July 1, 1972 either directly from Her Majesty or by means of a guaranteed public issue. It also would renew the authority for the Minister of Finance to guarantee debentures amounting to 13 million pounds to be issued in the period May 1, 1972 to December 31, 1976 by Air Canada in accordance with contractual obligations assumed by the airline prior to July 1, 1972.

Fifth, the bill contains a clause to increase to one billion dollars the limit on the amount of substituted securities that may be issued by the CNR in respect of any refunding pursuant to provisions of the CNR Refunding Act, 1955. The Financing and Guarantee Act of 1964 raised that ceiling to $680 million. The further increase of $320 million proposed in this bill would make adequate provision should a decision be taken to replace with longer term financing the temporary government loans authorized under section 7 of the 1955 refunding act.

Finally, the bill would provide for the appointment of the firm of Peat, Marwick, Mitchell & Co. of the cities of Toronto and Montreal, chartered accountants, as auditors of Canadian National Railways for the calendar year 1972.

Mr. Charles H. Thomas (Moncton): Mr. Speaker, once again this House is being asked to rubber stamp its approval of the expenditures of certain crown corporations during the past year. Once again we are being asked indirectly to approve the actions of these corporations during the past year, even though all members of the House know that we have little or no control over the policies of these corporations. In fact, about the only time that we hear from them is when they come to this House looking for money to pay their bills.

The fact that this annual exercise in futility has been going on for years does not make it any more valid. The fact that year after year members of the House deplore the custom of voting moneys which have already been spent does not make the custom any more palatable. Nor does it soothe the feelings of members on this side when they realize that, despite their annual objections and criticism, their suggestions for a review of the whole procedure—in fact, a review of the whole transportation policy—nothing changes from year to year. We are still being denied any effective voice in the conduct of Canadian National Railways and Air Canada. We are still told by the Minister of Transport (Mr. Jamieson) that the National Transportation Act is the be-all and end-all, that the government is apparently quite satisfied with it. Not only parliament but the people of this country, who after all supply the money to pay the deficits of these two corporations, are effectively blocked by the provisions of an act which sets up quasi-judicial bodies which have put themselves beyond the law. Has anyone ever been known to launch a successful appeal with the Canadian Transport Commission?

But, Mr. Speaker, hope springs eternal and the members on this side continue year after year to debate the CN financing bill and to criticize it. In fact, sometimes it seems as if everyone wants to get into the act, to take a swipe at the CNR and to offer suggestions for improvements in service. Surely, this must be the reason that we go through this exercise year after year, for we cannot change anything. The money has been spent. Even if the opposition did refuse to allow the bill easy passage, I suppose the government would ram it through anyway, since this government is quite expert at ramming through unpalatable legislation.

I suppose this exercise will continue to be one of futility until this government is prepared to examine the rationale of its national transportation policy, to set priorities and to determine what role our national carriers must play. This government must show leadership, must designate those services that are essential and must be provided, subsidized if necessary—this applies to all modes of transportation whether it be air, ground or water transporation—and then insist that these carriers provide efficient services.

Until this government does that, about the only good that can come of this debate is the opportunity it gives us to examine the operations of the CNR and Air Canada, both here and in Committee, to criticize those operations and make suggestions. This is only right, for if these Crown corporations want this House to vote them money they should be prepared to submit their operations to a thorough and searching examination. This is the only time that this House has an opportunity to examine the activities of the CNR and Air Canada, and it is the only time that hon. members can make suggestions and recommendations on behalf of the people of Canada, who are not too happy about the manner in which these two corporations carry out their day to day operations.

Surely, the government owes the people of this country the duty not only to listen to their complaints but to take some action on them. This is where the government has failed the people of Canada shamefully. This is where a good share of the responsibility lies for failing to develop a national and rational transportation policy that is based not on profit alone but rather on the concept that transportation is essential to Canada, that where necessary services must be subsidized, whether they be in the form of highway, rail, air or water transport. The profit motive is important, but it should be secondary to the concept of providing essential public services.

This bill, as the parliamentary secretary has outlined, provides financing for Air Canada. In view of this I think it only proper that I say a few words about Air Canada, and in this regard I find myself in an awkward position. Since I have been subjected to the whims of Air Canada for the past four days, in my present mood I find it very difficult to be objective, but I should like to make some general remarks, leaving my colleagues to zero in on specifics, of which I know there are plenty.

I think the nature of one of the difficulties being faced was very well illustrated by Mr. Yves Pratte, chairman of the board and chief executive officer of Air Canada, when he appeared before the Standing Committee on Transport and Communications on June 22, 1971. Mr. Pratte was asked many questions about the airline's philosophy, about its rationale. Was the airline there to make money or to provide services? His reply was very interesting and I think gets right to the nub of the government's indecision on a transportation policy. Mr. Pratte said this:

• (1530)

> The basic problem in so far as we at the management level are concerned is that we do not know what the mission of Air Canada is. We wish we knew. It is awfully difficult to manage any organization when one does not know what the purpose of the organization is: when you are told on the one hand that the purpose of the organization is to be as profitable as any private corporation and, on the other hand, that you are to provide service at all cost.

Is it any wonder that Mr. Pratte was confused as to what his duties are as chief executive officer of Air

Canada. He went on to say that he had offered ideas and made suggestions to the government, but came back to the point that the government had not laid down a clear-cut policy for him to follow. In other words, was it to be principally a profit making organization or was it to provide services where they were deemed essential? Mr. Pratte went on to say:

But this requires a definition of the role of the corporation which, I submit very respectfully, we do not have at the present time.

That was on June 22 last year. When reference was made to that statement in this House, I remember that the Minister of Transport expressed surprise that Mr. Pratte would say such a thing. However, he must have read the transcript of the evidence and realized that Mr. Pratte did indeed make that statement because in the *Toronto Star* of June 28, 1971 the minister is quoted as saying:

We would like to give Air Canada a clearcut mandate but it is hard to be precise. I have been working on this for two years.

The problem has existed longer than that, Mr. Speaker, but surely in two years this government could come up with some rational air policy. How much longer must we wait? When the minister and the management of Air Canada do now know what the mission of the corporation is, when there is not a transport policy worthy of the name for other means of transport either separately or in combination, it is unreasonable for this House to be asked to vote moneys to Canadian National Railways and Air Canada. The House and the public have a right to know how the taxpayers' money is being spent and the government has an obligation to define its policy objectives. The shareholders of a private corporation would laugh at directors who brought in such a request for money. The government has admitted publicly that it does not know where it is going or what its priorities are, yet it asks for another $600 million or more. I think this is completely ridiculous, but I shall let my colleagues zero in on some of the specific problems of Air Canada later.

Last week in this House, we heard speaker after speaker endorse the principle of equalization payments, a scheme designed to compensate the less affluent provinces for their unfavourable economic or geographical situation. At least one speaker pointed out the difficulties imposed upon the western and eastern extremities of this country by the high cost of transportation involved in competing in the markets of central Canada. They pointed out quite correctly that equalization of transportation costs was just as valid a proposition as transfer payments from the central government for social welfare, education and all the various purposes for which these transfer payments are used under the equalization principle.

It is an historic fact of confederation that the outlying parts of the country, both west and east, must have competitive transportation costs to and from the markets of central Canada. Not only were parts of the country cut off from their traditional markets in the United States by tariff barriers set up to protect central Canadian industry, and from those parts of the country which offer natural markets, but new problems were created, particularly in the Maritimes, by the fact that direct rail routes to the United States were replaced by a circuitous all-Canada rail line. In other words, essentially for purposes of defence, the rail line was taken by an all-Canada route when the shortest route would have been through the United States. This has aggravated the problem of distance already suffered in these areas.

Is it any wonder that people in the Atlantic provinces are upset by the erosion of the Maritime protection established in the old Maritime Freight Rates Act? Under the old Railway Act, which was amended by the National Transportation Act, under the terms of subsection 326(5) no charges could be made unless authorized as follows:

"No tolls shall be charged by the company or by any person in respect of a railway or any traffic thereon until a by-law authorizing the preparation and issue of such tolls has been authorized by the Board"—

The reference is to the old Board of Transport Commissioners. This was one of the sections which was repealed, with the result that the railways or carriers do not have to get prior approval of rate increases. They simply announce a rate, allow the stated waiting period to pass and the tolls become effective on that date. It is all very well to say that there is provision for appeal to the CTC. In theory there is, but in practice no such thing exists because it is impossible for a private company to make an effective appeal. Each time a rate increase was announced, other members of the opposition and myself pleaded with the Minister of Transport to order the CNR to delay it until a new policy was devised, but he would not listen. He always said that he could not do it or, because of rising costs, the CNR must raise rates. I realize that costs are rising, but I am saying that we in the east and west have a constitutional right to have rising freight rate costs offset by direct transfer payments to the shipper or by some other means. All we ask is that the minister live up to his commitment that he would not allow reductions in subsidies or increases in freight rates unless and until some equivalent assistance was provided for the people affected.

But what has happened? We have been waiting for this government to act on some sort of national transportation policy. A recent issue of the Atlantic Provinces Transportation Commission's monthly bulletin, *Tips and Topics* reports that:

For the eighth time in the past twenty-nine months, rail rates will increase on February 14, 1972.

That increase has come into effect.

The increase announced by the Railway Association of Canada on behalf of the Canadian railways, will range from 4 to 8 per cent.

The latest increase is another in what has become a pattern of an increase every six months since the lifting of the rail freight rate freeze on September 23, 1969. This succession of rail rate increases now stands at a cumulative total of 35 to 68 per cent (depending upon the rate level) for non-competitive rail rates and 19 to 40 per cent on competitive rail rates.

The minister said that, of course, there had been no increases for 10 years prior to that. That is true, but I want to point out to the House that the cumulative increase enacted following the lifting of the freeze has been more than would normally be expected in those 10 years. Those increases have exceeded the increases in any similar period since World War II, so that these freight rate increases cannot be justified by any trend in the rising cost of living or rising costs.

Why were these rates increased so rapidly? I think the answer is to be found in the fact that the railways no

longer have to seek prior approval of the federal regulatory body, nor do they have to justify these increases as was the case prior to 1967. Secondly, when the National Transportation Act was enacted in 1967, the railways were paid a transitional subsidy beginning in 1967 at $110 million and declining each year until its disappearance in 1974. This transitional subsidy was designed to compensate the railways in a broad way for uneconomic services which the railways were maintaining by the decision of the Canadian Transport Commission. I have no quarrel with elimination of the subsidy. I think any reasonable member of this House would realize that subsidies are not the best way to handle these problems.

• (1540)

But we in the Atlantic provinces are asking that the government follow the recommendation of the Atlantic premiers or of the Atlantic Provinces Transportation Commission in 1969 when they agreed that it would be wise to phase out the subsidy but only—and here is the crux of the whole question which the government has conveniently overlooked—if the subsidies were replaced by an equivalent amount of money which should be allocated to shippers on some basis determined by an independent commission. We said, all right, phase out the subsidy but do not take it away unless it is replaced with something else. This, in itself, would be bad enough, but what we are now finding is that the phasing out of the subsidies has already started. They have been reduced by 2½ per cent. Not only did the government not grant an equivalent amount of assistance to the shippers involved, but about a month later the railways raised their rates by an amount which would roughly offset the 2½ per cent subsidy they lost. Here, we get it both ways.

Instead of having a new policy to replace the old one in order to give some assistance to our shippers, we now find the minister has embarked on a policy of taking away the assistance we had and at the same time allowing the railways to increase their rates. We do not know where it will end. It has reached the point where many of our major shippers are very concerned about the situation. I think I should read into the record at this time excerpts from a letter from the Secretary of the Maritime Co-operative Services Limited, which is one of the largest shippers in the maritime area. Mr. McEwen, the secretary, states:

> We are further concerned that millions of dollars are being spent under DREE in the area to develop industry which has little hope of survival without a long-term transportation policy to move the products of these industries into the markets of central Canada or New England, U.S.A. The transportation factor seems to be largely ignored by the planners in the development of this industrialization.

I have heard my colleagues repeatedly take up this aspect with the Minister of Regional Economic Expansion (Mr. Marchand). Certainly, the transportation factor is very much involved in manufacturing in the maritime area. Mr. McEwen continues by saying:

> In our opinion, it would be better to use the money to add to the fund suggested by the premiers and equalize transportation on some point, such as Levis, Quebec and then industry could develop and operate competitively.

Here again, I have taken up this matter with the Department of Regional Economic Expansion and have heard my colleagues repeatedly refer to it. Millions of dollars are being pumped into the Atlantic area to create industries which have no reasonable chance of success, because once they start producing goods and wish to ship them out of the maritime area they find the transportation costs are so high they cannot compete in the markets of central Canada which are their natural markets.

The writer goes on to say:

> We have watched, over the years, various secondary industries die.

He speaks about a small manufacturing company which produced wooden step ladders which gradually over the years, because of the rising freight rates, became less and less competitive until about five years ago it went out of business. He says:

> We see the same thing happening to industries that have been developed recently with area incentive grants but no consideration being given to transportation.

So, this is what is happening in the Atlantic provinces. I believe the same situation exists in the other provinces which are faced with extremely high freight rates. This is why we continually call upon the government to get off its fanny and suggest some sort of a regional transportation policy. There are many other areas I could touch on because this whole field is very broad. It would be impossible for me to cover all of them, however, even if I had all day every day or if I had a week.

I should like to mention a matter about which many people probably do not think when they consider the exorbitant cost of transportation. Many people in this House who are shippers or businessmen probably know what the term "demurrage" means. Demurrage on railway cars is a charge levied which is supposed to be an incentive to unload cars quickly. The charge is, therefore, a penalty if cars are held beyond the free period, which is normally two days. This demurrage tariff is administered by the Canadian Car Demurrage Bureau, which is supposed to be an independent body, but is owned and controlled by the various railways in Canada. The substantial revenue derived from its operation is paid back to the railways. In spite of protestations otherwise by the railways, this organization has become a source of substantial revenues, and with the free hand it now has to levy whatever charges it wishes it is carrying its mandate to the fullest extent.

We always seem to come back to the Canadian Transport Commission. The CTC seems to be always at the root of all our troubles. Until the Canadian Transport Commission was set up, the Canadian Car Demurrage Bureau had to adopt the same procedure as the railways. It had to go to the Board of Transport Commissioners to have its tariff approved, but this is no longer necessary. The result is that since the change in the act, demurrage charges have been increased drastically to the point that they are now a major item of expense to any company using railway facilities. It is easy to get a car in, turn it around and get it out in many areas of central Canada but at the end of the line, as it were, these cars may be in an area on Friday where they are required to stay over the weekend because they cannot be hauled out. Up until recently, three free days were provided. If the last free day was a Friday, there would be no charge for the weekend. Now,

by an arbitrary ruling of the board, the shipper, if the car is not unloaded by Friday night, must pay the demurrage charges for Saturday, Sunday and Monday. One might say that this does not amount to much, but over a period of years it could involve thousands of dollars for shippers in the Maritimes and might mean the difference between a profit operation and a loss. Because of our distance from the central markets, the Atlantic provinces feel the effect of these charges to a much greater extent than other parts of the country.

• (1550)

Indeed, the transportation problems of the Atlantic provinces have always been serious. This fact was recognized at the time of confederation, but we received no protection in the terms of confederation similar to the Crow's Nest Pass rates which are applicable in western Canada. We receive no demurrage concessions such as those which are applicable at Thunder Bay. These demurrage charges are serious, but the most serious feature of this whole situation is that once again the CNR and Air Canada, and now the Canadian Demurrage Bureau are allowed to arbitrarily assess tariffs from which there is no effective appeal from them. The rapidly escalating costs of transportation are slowly strangling the development of the Atlantic region, and not only are we receiving no response to requests for change in government policy but the policies of the transportation agencies are making it impossible for the maritime manufacturer or feed producer to ship to or receive from the markets of central Canada.

Even though this is a routine financing bill such as we get every year, I still feel it is important because Parliament should tie down CNR and Air Canada until such time as the government comes up with a policy which will provide a service to Canadians in all parts of the country. Until the government is prepared to do that, we will not be prepared to grant them any further money. It is difficult to take such a stand in the House, but sometimes I think we should. At least we should refer this bill to the committee where, hopefully, we will receive some answers from the minister as to what he proposes to do and what the transportation policy for all parts of Canada is to be.

Mr. David Lewis (York South): Mr. Speaker, I am entering the debate on this bill at this stage because my colleagues and I believe that this government, this parliament and the people of Canada, have permitted the railway and air services of this country to be contracted to the harm not only of individual Canadians but of communities of Canadians and that the time has come to call a halt to that process. We feel very strongly that the time has come to say to both the railway systems that the abandonment of rail lines, the closing down of local stations, and the dismissal of local agents must end, and that the real purpose of the transportation system must govern their actions instead of the totally false social approach which is now animating their policies.

The people of Canada granted tens of millions of dollars and tens of millions of acres of land to the Canadian Pacific Railway, and then when a number of railways failed, the people of this country paid and continue to pay hundreds of millions of dollars in debt to set up the Canadian National Railways system. We built the first at the end of the nineteenth century with money and grants of land on which the CPR has built an immense financial, mineral and industrial empire, and we built the second, the Canadian National Railways, out of small railways that had failed. We did that almost immediately after the first world war.

I suggest to you, Sir, that the people of Canada spent these immense amounts of money and made these immense grants of land not for the purpose of these organizations developing some profit. They built these railways, spent this money and gave grants of land because a country the size of Canada cannot live unless there is an adequate railways system from one end of the country to the other. The people of Canada spent these moneys and gave these grants because they recognized that it is otherwise impossible to support an agricultural industry dependent on exports in large measure and on movement across the country as far as feed grains and related products are concerned. They gave these moneys and these grants of land because they recognized that all the sections of Canada's economy required a transportation system. They did that in the days when the air transportation system was not yet available. These moneys were not spent for the CPR to make profits; they make enough profits even though they may not make them on passenger railway service. The money was not given to the CNR to make profits when we took over the bankrupt railways. They were built for the purpose of serving the people of Canada. Both railways have failed in their duty and should stand condemned as failing many communities, particularly in the west. Both railways stand condemned as having failed the economic needs of regions of Canada distant from the centre by their inconsiderate and continual increase in freight rates without a sufficient change in rates to fit the situation of the Atlantic provinces or of western Canada.

This is one of the two or three points I want to make, and I make it as emphatically as I can. This is the opportunity for me to say that the Canadian Pacific Railway is an organization without conscience. Having built its strength and its power on moneys and on land given it by the people of Canada, it is now a railway, an air, a bus and a steamship organization. It has transportation systems in the air, on the water and on rail as well as on highways. It is an organization that has immense oil, gas and mineral reserves and subsidiaries right across the country. It owns large tracts of real estate and makes very large profits on the whole. The entire CPR empire makes very large annual profits, and yet they do not have the sense of obligation to Canada which established that organization, which paid for its building, and which made it possible for it to grow. They do not have that sense of obligation to Canada which would require them to continue the passenger service because it may not be or probably is not profitable.

• (1600)

I say the same thing to the CNR leadership, Mr. Speaker. The difference between the publicly owned corporation and the privately owned corporation is that, contrary to what the hon. member for Moncton (Mr. Thomas) thought, the CNR officers can be brought before a com-

mittee of parliament, and undoubtedly will be there to be questioned, but not the CPR officers. I say to the CN: your company is no longer accepting its responsibility to carry out its duty as a transportation service.

For a number of years, working with some of the railway unions from about 1952 to about 1962, I had occasion to take a deeper interest in railway services across this country. I tried to learn a little about the railway services, and particularly about passenger service. What I learned was that there is no railway in the world that makes money out of its passenger service, not even those that run on the eastern seaboard of the United States where the population is great, where communities are close to each other, and where trains do not have to run across an entire continent, say from Vancouver to Halifax, Winnipeg to Toronto, or whatever it may be.

In the eastern U.S. seaboard, the railways lost money on passenger service on the whole. True, there were seasons when they made money, seasons when passenger service was profitable, but many other seasons when it was unprofitable. There just is not any railway that can make profits out of passenger service. I have not yet read an expert on railway economy who recognizes that passenger service can be profitable at all times. But any government or any country that has any sense of priorities and of purpose obliges its railways to give passenger service. That is one of the reasons for the existence of railways. This is true regardless of the fact that the provision of passenger service may be undertaken at a loss, as undoubtedly it is in Canada. I do not think the railways in Canada are making money out of passenger service, or ever did make money out of it. But they were established for the purpose of giving service to communities.

On this point I merely want to add that the reason my colleagues and I feel so strongly that the two railway systems have betrayed their obligations is not solely that there are individuals in some northern parts of Ontario, or in some small communities in Manitoba, Saskatchewan or Alberta who cannot now have this necessary transportation service. This is extremely important, but it is not the only reason. In addition to the fact that people are being inconvenienced, communities are being destroyed. It is not only that individuals are being inconvenienced in not having the railway service to which they are entitled, it is the fact that when you close a railway station or an agency, and this is followed up by the closing of the elevator at a remote locality in the prairie provinces, then a whole host of other activities follow, and communities are on the verge of dying. This is where the thoughtless acts of the railway companies become most apparent.

So far as the New Democratic Party is concerned right across this country, we say that enough is enough. From now on, passenger service ought to be provided for Canadians, and local stations and agencies ought to be continued. That is the purpose of a railway.

I was a member of this House, Mr. Speaker, when the Transport Act was passed setting up the Canadian Transport Commission. I remember the then minister of transport, Mr. Pickersgill, piloting the bill through the House.

Mr. Knowles (Winnipeg North Centre): Piloted all right!

[Mr. Lewis.]

Mr. Lewis: He piloted the bill through the House of Commons, and then piloted the minister of transport into the position of president of the Canadian Transport Commission. I have had the pleasure of knowing Mr. Pickersgill for many years but I say, Sir, that in carrying out the policies and the duties of that commission, the various parts of it are showing a reactionary unconcern for the needs of the people of Canada, are showing a reactionary concentration on the dollars and cents involved.

In my opinion, the Canadian Transport Commission is much more an agency of the railways than it is of this parliament or of the people of Canada, and that this cannot any longer be tolerated. If the railways need an agency they can pay for it themselves. We should not have to pay for it. If Mr. Pickersgill and his associates want to act for the Canadian Railway Association they are free to do so, but not at public expense. The public is paying the members of the Canadian Transport Commission in order to make certain that the public interest is served by the organizations answerable to the commission. However, that is not what the commission has been doing, whether with respect to the railway companies, the air companies, or indeed Bell Telephone, an organization that has been rooking the Canadian consumer for God knows how many years. Almost every time Bell comes before the CTC with an application for an increase, after a long falderol and inquiry, by some inconceivable coincidence it is able to get the increase. I should not say this happens always. There have been delays and changes, but eventually Bell is able to prove its case, no matter how indefensible its case may be.

I take the occasion of this bill to voice on behalf of our party our strongest protest against the philosophy and thrust of the CTC as related to the abandonment of railway services, as related to rates set by the railways, and as related to all the other agencies and bodies that come under its jurisdiction. It is my firm conviction, after watching it functioning since it came into existence, that it is not carrying out its function as a safeguarder of the public interest, but in effect is an agent of the transportation companies rather than of this parliament and of the people of Canada. That is true no matter in what direction you look.

The hon. member for Moncton was entirely right when he said that one of the main causes of inequality of opportunity, of economic circumstances, and of the level and standard of services in those parts of Canada distant from the centre, like the Atlantic provinces, like the west, and like Northern Ontario, has been the cost of transportation.

One of the legitimate, sensible, rational and just ways of assisting the disadvantaged areas of Canada—I do not say it is the only way because more needs to be done—is to set up the necessary differentials, the necessary subsidies if the case requires them, to rid these areas, particularly the Atlantic provinces, of the immense disadvantage they have in the fact of transportation distances, and in the fact of the costs of transportation. This is something that has been recognized in Canada over many years but has never become part of an integrated transportation system.

The third point I want to touch on briefly, and I do not intend to speak very long today, is to protest against the continuing and determined effort of the CTC, and obvi-

ously the policies of the government, to increase the number of private air carriers and to give them more and more of the feeder lines, more and more of the air transportation routes in Canada. At the moment when our publicly owned air transport company gets out of the red and begins to generate its own surpluses which it will need to assist in the expansion and renewal of equipment made necessary by modern developments and provide that service which, if left alone, it would continue to provide, big and little private corporations, led by CP Air, enter the field and the Canadian Transport Commission gives to these small or large transport organizations rights and privileges which, before then, had belonged to Air Canada. This means that in many parts of Canada, and most of northern Ontario is one of them, the people will not be served by Air Canada at all. They will be served either by CP Air or, more likely, by one of these other, small transport companies.

• (1610)

I do not object to the thrust, courage or enterprise of an individual or group of individuals wishing to set up some air company. I am not saying that such people should not be allowed to develop their business. What I am saying is that, in the long run, it is shortsighted and stupid to allow them to do so at the expense of the potential income and development of Air Canada. I am saying that CP Air particularly ought not to be given that kind of advantage. Air Canada, it seems to me from my study of it, and I might easily be wrong, may welcome this opportunity for lessened service. The company may even have desired it, because in the process it would lose some of its headaches as well.

I am never in favour of bureaucrats, whether in the public service, in Crown corporations or with private companies, who want to take the line of least resistance and fewest headaches. As I say, Air Canada may have wanted this. Yet I venture to suggest that in 10, 15 or 20 years a great many people will be sorry for what has happened as the opportunities for Air Canada grow fewer and as the demands for capital increase greatly. Then Air Canada, instead of having generated some of its own investment and replacement capital, will have to come to an increasing extent to parliament and ask for loans, grants, underwritings or what have you.

I do not think that makes sense. We had sense enough to set up a publicly owned air corporation. We ought not to interfere with the possibility of its future growth by handing out licenses without first considering what the consequences of these actions will be in future and how they will affect the people of Canada. And, instead of standing up and making these demands from the CTC, Air Canada has been acquiescing in developments which are bound to be fundamentally hurtful to it in the long run, if not in the short run. The company has cut down service constantly across this country and that, too, I regret very much.

Finally, Mr. Speaker, I want to say a brief word about the capitalization of the CPR. I heard, during my recent few days of visiting to the western part of this country, that the CNR is losing money. Like the Prime Minister (Mr. Trudeau), Mr. Speaker, I made some non-partisan, non-election visits to western cities not long ago.

Some hon. Members: Oh, oh!

Mr. Lewis: I did just as the Prime Minister suggested he has been doing. I felt I ought to flatter him by imitating him, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Lewis: All the time in the lobbies here, and particularly in the lobby with my friends from the Tory party who, I notice, were robbed this morning of their major election issue with the recapture of Geoffroy in Spain, one hears the refrain, as one does elsewhere across Canada, that the CNR is losing money, that here we have an example of a publicly owned corporation and it loses money. Actually, Mr. Speaker, when the CNR capital setup was changed some years ago, and I was glad then that it was changed, the change did not go far enough. The CNR continues to carry a debt which it ought not to continue carrying. It is stupid to continue loading it with that debt. The CNR capital structure ought to be changed again, to the point where the CNR does not carry the debt which was originally undertaken when we nationalized the little bankrupt railways that make up the CNR.

Some years ago I asked someone to calculate how much a person or estate, or what have you, would make if $100 were invested in one of the companies that went bankrupt in 1918, 1919 and 1920. We assumed that the original share would be changed into a share of the CNR. I forget exactly what the term for such securities is, and I forget how the matter was handled. I wanted to know what the return would be for a person or estate on an investment of $100. You will be surprised to learn that the present return would be about three or four times the amount that was invested only 40 or 50 years ago, Mr. Speaker. I ask, how much longer are you to go on making the public treasury pay for a publicly owned utility on that kind of base. Therefore, I say that the capitalization of the CNR ought to be changed so that the railway ceases to carry the immensely heavy burden of debt and interest payments that that involves.

I want to conclude by saying something that some of my colleagues have said better than I can claim to say it. The point I want to emphasize in our discussion of this bill is that the people of Canada urgently require an integrated transportation policy. I, personally, believe that a utility like transportation ought to be all publicly owned. Canada is only one of two countries in the western world in which a privately owned railway system operates. The other country is the United States. No matter whether you look at Britain, France, West Germany, Denmark, Norway, Spain, Australia, New Zealand or Japan, you will find that the railway system is publicly owned. Railway service and transportation services in general are a public service. They are a public utility and not areas out of which private profit ought to be made. They are necessary services. A transportation system is necessary not only for the pleasure of people who use it; it is primarily necessary for the movement of goods, services and people. It is necessary for the good of the country as a whole and for the building of the economy of the country. This is true particularly for a country like Canada which depends so greatly on the export market in so many economic areas. Therefore I make no apology for having said to the presi-

dent of the CPR when I was a very young man that, if I had the opportunity, I would nationalize his railway. That was said—and I know I should not admit this—in January, 40 years ago. I do not doubt that the CPR will be nationalized eventually, either by my party in power or, to judge from what has happened in past years in many areas, by some other party in power. They will finally recognize the need for it.

• (1620)

In any event, we require an integrated transportation policy that takes into account all four major means of transport; air, road, rail and water. It must integrate these four major means of transport in some meaningful way for all parts of this country, and place all modes of transport under one really effective control, in the hands of government and Parliament through an agency. In this way it will serve the public interest and not be the lobby for the transportation companies that the CTC now is in many respects. In order to have an integrated transportation policy, we must have the courage to take over a large part of the CPR, if not all, in order to take over the profitable as well as the unprofitable, so that we will have public control.

The CPR now has a rail company, airline, more than one bus company, steamships, hotels, trucking services, minerals, oil and gas. Every time officers of the CPR appeared before boards on which I represented labour unions and shed some tears about its awful financial condition, I thought to myself I had not heard a more amusing comedy before and never expected to hear it again. The crocodile tears which the management of the CPR is constantly dropping are just outrageous. It has been a very successful empire. We ought to take over this company and place it under public ownership and control, not for any doctrinaire reason, but in order to integrate our transportation system in all four areas. That is and has been my own personal view for many years. Only in this way can we have a transportation system that will serve the people of Canada well, both now and in the future.

If I remember the order, this bill is scheduled to be referred to the Standing Committee on Transport and Communications. I am sure the members of that committee will be wise and determined enough to call the officers of the CNR and Air Canada to appear before that committee this year, as has been the case in the past. I can assure the House that our members of the committee will demand much better explanations than we have had in the past with regard to the unacceptable reduction in passenger service and the closing of offices and agencies which have taken place throughout Canada, particularly in the prairie provinces. Although I have not looked into the situation, I hope it will also be possible to call spokesmen for the CTC before that committee. I hope the members of the committee from all parties will unitedly tell Mr. Pickersgill and his associates that Canada will no longer accept the reduction in passenger and other services which the railways have undertaken to the detriment of the building of communities, particularly in western Canada.

[Mr. Lewis.]

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, following the debate in the House, Bill C-4 will be referred to the Transport and Communications Committee for detailed study. Earlier today, I listened to the comments of the hon. member for York South (Mr. Lewis) on the Canadian Pacific, which is a private corporation and Canadian National and Air Canada, which are government corporations.

He admitted that private enterprise makes huge profits on providing the same services as Canadian National while the latter company is calling on us for $210,800,000 to cover its deficit and Air Canada is asking for $114 million. This makes a total of $333 million, a third of a billion dollars, to support public enterprise.

Mr. Speaker, I should readily recognize that railways, Air Canada and other carriers are public services, to be encouraged, supported and improved in order that they may provide services to the whole population of Canada. However, when it comes to saying that we should nationalize private enterprise to improve services, I am not at all in agreement with the hon. member for York South.

According to his theories, to improve the administration of justice and law we should nationalize lawyers, turn them into civil servants, ciphers such as the employees of Canadian National or those of our transportation systems.

Private enterprise proves that it can operate and provide better services at a profit over a given period whereas a public enterprise must provide better service, even without profit. That is public enterprise.

Mr. Speaker, I should advise the Canadian Transport Commission to hire the hon. member for York South and appoint him president of Canadian National at the earliest. It pays better, since he would be getting $100,000 to $125,000 a year. He would be in the right place. Moreover, being so persuasive and so determined and so well informed about nationalization, state control and socialization, he could no doubt, as president of the Canadian National, improve on our present services.

I made a trip to western Canada last year. I went by the Canadian Pacific and came back by the Canadian National. The difference between the two is as great as that between night and day.

On the CP, the service is faultless: good food, good service all the way as far as Victoria or Vancouver.

I came back by the CN, through Edmonton and Saskatoon, through the north. It was completely different. The coaches were dirty; it was easy to see that those responsible were not there; the employees were like people working from 9 to 5; their work was only a job to them. The CN does not have to make profits; we need only vote them some $219 million at the end of the year to make up its deficits.

With all this, we find, as the hon. member was saying a moment ago, that some rail services are abandoned. In my area, the CN has abandoned its Rouyn-Noranda-Taschereau service; the run between Montreal and Quebec, to come back toward Cochrane through the Abitibi region, and Témiscamingue, brings in a profit because of the forestry operations of Domtar at Lebel-sur-Quévillon and the forestry operations in the Lasarre area. The service

was improved at the rate of approximately ten miles per year.

In any event, I have known the railway service in that area for at least 35 or 40 years and, instead of 22 hours to go from Montreal to Amos, as was the case in the past, one now needs 18 or 19 hours. That is quite an improvement! The railway track is just about impossible and we do get thrown about; a person lying in bed is sure to remain wide awake, such is the lack of comfort—

An hon. Member: That is right, I have taken that train before!

Mr. Caouette: My colleague from Champlain (Mr. Matte) has taken this train to Abitibi and found that this was the case as far as Parent.

So, tracks are poorly maintained!

At the end of the year, the Directors of the Canadian National—the Administration office—hastened to submit their estimates to us, saying: "We need $125,265,000 for new railway property. This is for new branch lines." Some are being built to connect Rouyn to Taschereau, but others are required for an amount of $19,000,000.

For equipment $44 million are needed; for telecommunications $22,437,000; for hotels $3,026,000.

CNR hotels lose money whereas CP hotels prosper.

Since the private sector prospers, we must nationalize it at once so that it may lose money. That is socialism! That is what elimination of free initiative brings about. If you deprive someone of initiative, you kill him; he is no longer interested in business. On the contrary, if you give him the opportunity to make the most of his talents, to be creative rather than crush him, you allow him to improve the living conditions in a country such as ours. We can see it throughout the world.

The hon. member for York South told us: There is no country in the world where the communication system is not state-owned. I took a train from Moscow to Leningrad in 1965, a state-owned train; it was worse that the old train in Abitibi. Why? Because personal initiative has disappeared; it has been suppressed. No one can set up a railway company today in the USSR, in Czechoslovakia or in any other socialist country in the world. Everything is state-owned. Even the taxi transportation system is state-owned. The cab drivers are civil servants. Everyone is a government employee. The government decides in the place of the individual. This is contrary to common sense!

We should not nationalize the Canadian Pacific; instead, we should sell the Canadian National to the Canadian Pacific because the latter operates at a profit. To make up the difference, the government should, while doing its duty, ensure that the means of transport serve the public adequately, not through state gimmicks but by setting up agencies made up of responsible human beings and not "numbers".

Mr. Speaker, I was speaking of the lines the Canadian National had abandoned. A while ago, someone told me that the same company has a reserve fund for its employees; $650 million were taken out of that fund and loaned at 4 per cent to other agencies, there being, it seems, too much money in the fund. However, they forget to raise the pensions of retired employees.

• (1630)

The Canadian National has problems, like every body else. Workers are dismissed after 30 or 40 years of service. They are no longer useful, right. However, the pension system should provide those people with an income equivalent to their former wages, since they have already paid contributions for their years of service. Instead of tampering with their pension fund it should be used for the benefit of those who spent their lives in the service of the Canadian National or other railroad companies.

At any rate, Mr. Speaker, I feel that Bill C-4 is only a repetition of former bills. Indeed, the Canadian National or Air Canada never show a profit but deficits always while the Canadian Pacific always shows a profit, even with its airlines.

When CP Air was servicing my region why has it been replaced by Air Canada? Air Canada says that this service is not economical and someday it will give it up to Nordair. But why was this run taken away from CP Air if Air CAnada finds it uneconomical? There are three flights a day and the planes seem to be full each time. It is therefore an economical operation and this is why we asked them to improve the service. We are prepared to supply them the funds required provided we have the services in return.

The same thing applies to the CN. We are now voting $219 million in grants to our national railways and this company decides at a given moment to wage unfair competition against the private trucking industry by adopting exceedingly low rates precisely because it is subsidized by the government. We should grant similar amounts to the private sector if we want to have fair competition. But we should not tax the truckers to meet the deficit of a competing CN.

This is unfair and we should be able to establish criteria under which the private sector will not have to pay taxes to offset CN deficits.

To tax the Brazeau Transport Company or the Compagnie de camionnage du Québec to pay CN deficits while it is engaged in the same kind of transportation—even though the member for York South finds nationalization quite fair and even commendable—I maintain this is pure and simple confiscation of private enterprise and an obstacle to normal operations of Canadian transport companies.

Mr. Speaker, my colleagues will be following carefully in committee the clause by clause study of this bill so as to determine what is wrong with the operations and with the administration of our national railways and Air Canada. We are not asking for the eliminations of those services. On the contrary, we are prepared to grant the required credits provided however they are supplied. If the credits passed by Parliament are used only to pay senior civil servants or strikers we are not at all interested. These expenses will not be paid by union leaders but by Canadian tax payers.

Then, when we are asked to make up a $219 million deficit, we should understand that it is the result of all the strikes which cost a lot to Canada. Canadian taxpayers pay for that. The hon. member for York South may like it but I do not. That is why we say to union officials: Instead of distributing boxing gloves to Canadian workers, why not try to be peacemakers, so as to enable employees to get along with the employers? Instead of stirring up hatred among classes, why not foster comprehension between workers and employers, who also have problems. Maybe they are not "9 to 5" people, as we call them, but they are up at 7 in the morning, still working at midnight and not paid for overtime. We do not think of that.

People like the hon. member for York South protest against exploiters, against private enterprise. Most private enterprise owners in Canada get a smaller net income than the hon. member for York South. It is easy to be a socialist at $100,000 or $50,000 a year. But when the owner of a small grocery store who works very hard to earn $15,000 or $20,000 a year is being told: My boy, the minimum hourly wage of your employees is $2, or else you will be fined, he is in danger of going bankrupt because we look upon him as an exploiter. It is easy for people with annual salaries of $50,000 or $100,000 to tell people getting $20,000: You are an exploiter, you destroy small wage earners.

Mr. Speaker, there should be a limit to riduculing people and belittling their personal initiative, then trying to control everything through government action. Canadians do not want the government to poke its nose into all their personal affairs. The less nosing on the part of the government, the better it will be unless one is a socialist as in that case people probably lose courage. They say to the government: Make the decisions for me. Take my salary! Spend it the way you like and let me know what is left for me at the end.

As I have already said: let us continue to live in the present system. We will be heading towards socialism. Twenty years ago, I said: "Within 10 or 20 years, when you receive your pay cheques, the cheque stub will be at least twice as long as the cheque itself". This is what is happening today. The cheque stub is at least twice as long as the cheque itself which means that so much money is deducted for unemployment insurance, so much for provincial and federal taxes, medical insurance, old age pension, union dues and super annuation, to the extent that the cheque stub is very long.

Within the next ten years, we will only receive the stub to acquaint us with the way the government has spent our pay cheque. We will then have complete socialism and the government will decide for us.

This is exactly what is happening, Mr. Speaker, because we are witnessing the establishment of programs such as this one, a nationalization program, a government system under which we are asked to pay for deficits year after year.

I agree that we pay for deficits in order to obtain services, but I notice that services are being reduced while deficits keep increasing. This is what I find unnatural. Let us increase services, let us improve them and pay for them. I quite agree, for this is absolutely natural—but let us not pretend as we are doing at present.

[Mr. Caouette.]

Mr. Speaker, in this bill we are asked to vote $333 million for the operation of our transportation system which is related to the government and is a nationalized enterprise.

As far as private enterprise is concerned, we do not hear of the Canadian Pacific Railways asking for any money to make up its deficits. No, that company makes profits. As I was saying at the beginning, rather than abolishing the Canadian Pacific Railway, which is a profitable operation, let us sell the Canadian National to the Canadian Pacific Railways; this way, it could be that next year we will have saved $219 million on what we are spending this year, and that this company will help the Canadian National to make profits.

Mr. Speaker, my colleagues and myself advocate solutions designed to remedy this situation. We are quite aware that we have to pay for services. We do not object to this, but let us improve services to the same extent that we have to pay for deficits. Covering the deficits will then allow for the development of real services for the greater well-being of the Canadian people.

• (1640)

[*English*]

Mr. Barnett J. Danson (Parliamentary Secretary to Prime Minister): Mr. Speaker, I welcome this opportunity to join in this debate, which is more a discussion of our transportation problems and ills, a subject that will be explored very thoroughly by the committee. This debate is particularly well timed, since just a few days ago the Minister of Transport (Mr. Jamieson), the Minister of State for Urban Affairs (Mr. Basford) and the appropriate provincial authorities announced the final decision on the location of a new airport facility for the central Ontario region, particularly the Toronto-centred region, as well as an improvement in the air terminal facilities in southern Ontario.

My riding is specifically affected because part of the new airport proper is to be in my constituency; indeed, a lot of the flight patterns will be over a great part of my constituency. In view of this I am now beginning to come to grips in a very real way with the problems that a major airport causes the residents of a delightful part of Ontario that is close to metropolitan Toronto. Some rather serious problems will have to be faced by some. Although I am sure these will be resolved to the extent that that is possible, it does not detract from the fact that wherever an airport is sited there is some disruption caused local residents.

In this particular case I think all agree, in fairness, that a wiser selection could not have been made, and I think the co-operation between the federal government and the provincial government was the key to making certain that a wise decision was made. I say that with a little bit of sadness because I, myself, am not happy, quite frankly, that the new airport is to be located in part of my riding. But the people of York North are sensible people, particularly at election time, and they realize that such a decision would affect some people no matter where the airport had been located. They are not happy that they are the people affected, but they are counting on me and many others to make certain that its major effects are mitigated.

This is a time for us to think of what we must face in terms of transportation. We cannot think of transportation in terms of airports alone but rather as a total concept, in terms of the social and economic impact that a major transportation facility has on the country.

Shortly after I entered this House in November 1968, I made a speech on somewhat the same subject as this, and I note that the other day the hon. member for Wellington (Mr. Hales) also had something to say on the matter. I have been doing some work on a more comprehensive transportation plan because I feel we should be thinking in terms of where we go from here. We have an air plan that should satisfy our needs for the next 20 years or so, but we must look far beyond that. To think that the present concept is the answer to our transportation problem is not good enough.

I should like to suggest a logical projection of our transportation requirements over the next two or three decades beyond the time when this new facility will be well in use and perhaps overloaded. I take into consideration the natural industrial development areas and the need to remove the growth pressures from our major cities. Included in this proposal, and the key to it, is the accelerating growth of air transport for both goods and people. The result of my studies would be a major air terminal approximately midway between Toronto and Montreal, serviced by high speed surface transport joining these two cities and the air terminal. Such a transportation corridor would spawn planned residential and industrial communities along its route. The consequence should be a growing interdependence between French and English speaking Canada. Its immediate effect should be to capture the imagination of Canadians and focus their thinking toward the next 20 to 30 years which would be required to complete the first stages of this plan which I propose to outline. Even this time frame would require the earliest possible commitment to the concept, not to the program but to the concept.

• (1650)

Ste Scholastique and the new Toronto region airport should satisfy our air transport terminal requirements for close to a generation. Projections for the future indicate a sharp increase in air travel surpassing any growth we have seen since World War II. A substantially greater growth curve is indicated for air cargo. While these projections are difficult to make, and I am trying to get some more enlightened projections, I think they are important indeed. In spite of larger aircraft, the volume of traffic itself will present problems of air and noise pollution, safety and physical handling of both people and goods which will dwarf present considerations. One answer is to provide a major facility roughly equidistant between Toronto and Montreal which will alleviate the congestion and environmental problems which plague areas within a wide radius of any major airport.

The Kingston area appears to have many advantages. It is roughly equidistant and it already possesses the basic infrastructure of a major community. To the south is Lake Ontario and to the north vast areas with relatively sparse population. The environmental consequences of increased air traffic will be minimal relative to other areas. It is possible that the existing air base at Trenton has many of the same advantages and a great advantage is that it exists, if not equidistant. It could conceivably be an alternative site.

While it is difficult to project technological development in the aero-space field, it may be assumed that air vehicles will increase in size, and long range flights of transcontinental and transocean traffic will increase at the greatest rate. Indeed, it is an integral part of this concept to reduce a major segment of the short haul air traffic. The balance of short haul traffic could continue to be handled at existing airports already adjacent to the major urban areas. The key to an airport facility remote from the major cities is high speed ground transportation enabling passengers to reach the airport or their ultimate destination in the minimum possible time. For practical purposes, this should be under one hour: distance itself is not the factor, but time is.

The suggested location is in the 150 to 175 mile range for both Toronto and Montreal. It therefore follows that average ground speeds in excess of 200 miles per hour will be necessary for the ground transport. Existing technology to achieve these speeds in comfort already exists. Prototype development is under way in France, Germany and Japan, while promising research is being undertaken in the U.S. and even Canada, if one wishes to include the CN-United Aircraft Turbotrain. The Germans, particularly, have some new technology which is interesting according to my studies.

It can reasonably be assumed that satisfactory resolution of the technical difficulties involved in this development will be accomplished before this proposal is at the implementation stage. The technology is there now and prototypes are under way. It is certainly within our capacity. It is likely that the commitment to this project will accelerate development, and it is possible that Canada could concentrate a significant portion of its research and development activity in this very field.

In a country as large and as sparsely settled as is Canada, transportation is as vital to its growth as it was when our present railways were conceived. Indeed, it is the same type of vision and commitment which is called for at this time. I am just reading Pierre Berton's book on the building of the CPR, and it is interesting to see an example of this type of vision. I hope we do not experience the politics or the business practices engaged in at that time, but there certainly was a great deal of vision. However, it was not a Liberal government in office at that time, so I am sure things would be better today.

Our existing rail beds would provide the essential right-of-way. It would be necessary to improve these substantially, but as new high speed ground transport is unlikely to utilize conventional trackage, this would be an integral part of the development. The important consideration is that the right-of-way exists, though some deviation might prove necessary, and the use of elevated or underground systems in whole, or in part, cannot be rejected. It is possible that the system could involve all three levels, that is, ground, underground and elevated. Propulsion could range from diesel to nuclear, jet to vacuum, and possibly gravitational, but this I leave to the scientists.

With the ability to reach a midway point between Montreal and Toronto in less than one hour, it will be possible

to continue via surface transport between these cities in approximately two hours, or slightly more when intermediate stops are taken into consideration. When transport to and from airports is considered, it presently takes in excess of this time to complete an inter-city trip by air.

With high speed surface transport terminating in central areas of the cities and tying into existing and projected subway facilities, it is reasonable to assume that travellers would use the ground facility for the entire journey and at considerable benefit in time, comfort and convenience. I cannot give the precise percentages at this time, but a significant percentage of the take-offs and landings in both Toronto and Montreal are for flights between these points. By putting these travellers back on the ground, a considerable amount of air traffic would be eliminated. With the relief of this pressure on our airports, the growth of other short-haul traffic, that is, New York, Chicago, Winnipeg, Quebec, Halifax, Ottawa, Boston, Windsor, London, etc. could well be accommodated with existing facilities such as Dorval, Ste Scholastique, Malton and the new Toronto region airport.

Curfew regulations applicable at airports adjacent to cities are a major social and economic consideration. These may be substantially relaxed or eliminated at a more remote location. It is likely that noise levels will be significantly reduced or noise eliminated by the time a concept such as this reaches fruition. With or without the noise consideration, air congestion and ground facilities would be under-utilized during the hours from midnight to seven or eight a.m. The elimination of curfews would enable 24 hour operation with cargo aircraft being accommodated during the low passenger traffic hours.

It must be assumed that the airport would not be located immediately adjacent to the city of Kingston itself, but could be as close as ten to 25 miles, the latter figure being preferable. Major residential development within a radius of perhaps up to 25 miles of the airport would be curtailed.

A further development would be the use of cargo containers which could be accommodated by regular aircraft and the high speed surface vehicles. This has been done successfully for water/rail transport and could be readily adapted to air/rail. It is another area for Canadian research and development.

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

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Hillsborough (Mr. Macquarrie)—Trade; the hon. member for Regina East (Mr. Burton)—Health; the hon. member for Brant (Mr. Blackburn)—Indian Affairs.

It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely Notices of Motions and Public Bills.

PRIVATE MEMBERS' MOTIONS

POLLUTION

REQUEST FOR RESEARCH ON WASTE DISPOSAL METHODS

Mr. Lincoln M. Alexander (Hamilton West) moved:

That, in the opinion of this House, the government should initiate a national research and development program in respect of methods of proper and economic solid-waste disposal, including studies directed to the conservation of natural resources by reducing the amount of waste and unsalvageable materials and by recovery and utilization of potential resources in solid wastes; and provide technical and financial assistance to provincial and municipal governments and multi-governmental agencies in the planning, development, and conduct of solid-waste disposal programs.

He said: Mr. Speaker, I appreciate this opportunity of once again bringing to the attention of hon. members a problem which I have pointed out on two prior occasions on a private member's notice of motion. I am pleased to see the interest that is usually exhibited when I bring it back, and I know that government members will of course have some constructive criticism to offer of this motion. They may also raise some points which have made it necessary to move in this area to a greater extent than has been the case in the past.

• (1700)

My motion perhaps could be broken down into three parts. I say there should be initiated a national research and development program in respect of methods of proper and economic solid waste disposal. I see nothing wrong with the suggestion made, because obviously we are all in favour of pollution control. It is pollution control I am talking about, while at the same time having the opportunity to reclaim waste and turn it into a profit. I believe this is the sort of thing we are interested in because obviously, as has been stated, the United States spends billions of dollars to bury waste materials while at the same time millions of dollars could be reclaimed if only we had a co-ordinated effort to ascertain what type of material could be reclaimed, whether it is economically feasible to do so, and whether in fact there is a market for it. Notwithstanding how small the market may be, I would still impress upon the government the fact that this is an area in which we should not be concerned about an overall profit but rather whether, in fact, it is feasible to become involved in the reclamation of waste whereby we, in turn, attempt to reduce the ever-growing pollution.

Secondly, I should like someone to indicate whether, in fact, studies are to be undertaken. I know now that, as a result of governments having had the opportunity to do much of the research in certain areas, it is time that the type of research of which I am speaking now should be undertaken by the private sector. In this way we would be able to make some use, and good use, of the special talents required for a problem which faces us now and, perhaps

at the same time, relieve the unemployment situation as it relates to those of higher learning at this particular time. When I receive letters from persons who possess Ph.D's who tell me they cannot acquire work, then I believe there is something wrong with our system. They should at least be given an opportunity to further their education by attempting to bring about solutions to problems which at this particular time have been practically untouched by the federal level of government. I say this with a great deal of respect because I feel that, in order to pacify those who believe we are not involved with this matter, the federal government must step in, even though someone will tell me it is a provincial matter, in order to give us some idea whether or not this is a matter of high priority.

The last time this subject was brought to our attention, I asked some questions which were placed on the order paper. I asked which department, if any, bears primary responsibility for the development of research or demonstration projects to deal with solid waste disposal. Then, as a second question, I asked on what dates and by whom were recommendations made to the Department of National Health and Welfare advocating research studies into the problem of solid-waste disposal as indicated by the Parliamentary Secretary to the Minister of Finance on December 14, 1970 in *Hansard* at page 2026-2027. As I understand the answer, it is anticipated that the new Department of the Environment will bear primary responsibility for the development of research or demonstration projects to deal with solid-waste disposal. This reply was tabled through the courtesy of the Minister of National Health and Welfare (Mr. Munro) on January 25, 1971. I should like to know, in fact, what the department is doing in terms of the suggestions I have placed before it. In Hamilton we have tried to make strides in this area by having a form of pulverizer which, as I understand it, has been a welcome addition to the waste disposal facilities.

Let me point out that in 1960, as reported in the Hamilton *Spectator* sometime in 1971, Hamilton threw away about 185,000 tons of garbage. In 1971 there were some 285,000 tons. This is an increase from 625 pounds per person in the 1960's to 700 pounds per person at the present stage. I think what I am concerned about is the lack of appreciation of the problems being faced by municipalities, because obviously they do not have the money to make the capital expenditure required for the type of project necessary to ascertain just which type of solid-waste disposal method is acceptable, feasible or economical. It is in this area that my motion indicates we should be providing technical and financial assistance to provincial governments, municipal governments and multi-governmental agencies in the planning and development of solid-waste disposal programs.

Lately, the province of Ontario has commissioned people of some expertise on this subject. They brought out a report in February of 1971. The authors of this report were Professors Clark and Brown, the former a chemical engineer and the latter a mineral engineer, both of whom are pursuing their professions at Queen's University in Canada. I was very impressed by the conclusion reached in the report regarding the recommendations. One of their recommendations should perhaps solidify our thinking in terms of the importance of the need for action. The report is entitled Municipal Waste Disposal, Problem or Opportunity. It reads in part:

> The current problem of solid waste disposal should be regarded as an opportunity for Canadian originality and foresight to develop the means for conserving natural resources, preserving the environment and demonstrating that organizations, communities and individuals can effectively co-operate in a common cause.

I find that the conclusions reached in this very candid and very important exposé are very disturbing because it was just published in February 1971. With your patience, Mr. Speaker, I should like to quote at some length from the report. It reads:

> It is found that Canada has lagged the United States both in terms of legislation and the investigation of the disposal and treatment of municipal wastes. Data on the nature and quantity of municipal wastes is not available and no methods other than the traditional means of burial or incineration have been employed in Canada. Furthermore there is no organization in Canada which currently serves as an authoritative source of knowledge; neither is there a centre of research and development in this field. The newly created Waste Management Branch in Ontario has the authority to develop and provide these services but it is so understaffed and inadequately funded that its work is almost solely concerned with the immediate and urgent problems associated with the implementation of the Waste Management Act. Such is the state of the art in Canada.
>
> The "art" is developing very rapidly in the United States and in other countries. Many new processes are being developed and the phenomena of solid waste generation and its implications are receiving considerable attention.

• (1710)

That is my point, and I will repeat the last sentence I quoted:

> Many new processes are being developed and the phenomena of solid waste generation and its implications are receiving considerable attention.

Is this the position in Canada? My motion seems to be well accepted by members on both sides of the House. This is not a political matter, but one about which we should show deep concern to the point where members on the other side of the House are ready to make recommendations to the government, particularly with respect to the assistance that is required by municipalities and provincial governments to enable them to conduct more research into this problem. Then, at least we would not be waiting for conclusions to be reached by other jurisdictions in order that we could move into the area ourselves.

It has been stated that we are burying ourselves in our own garbage. I note, too, that an article has been written by Mr. Gordon Sutin entitled "The Case for Pulverization of Solid Wastes" printed in October, 1970 in "Public Works, City, County and State". I was impressed with what he had to say and, with the indulgence of my colleagues, I should like to quote as follows:

> While incineration appears to offer the ultimate solution to the problem of disposing of solid wastes, it is a fact of life that many smaller communities cannot generate the capital to build the necessary facilities. This suggests, of course, that smaller communities should band together for the construction of one large regional incinerator, one plant to serve a number of municipalities. However, this again poses the problem of capital investment to establish and operate transfer stations.

What I am attempting to do this afternoon is to bring home the importance of the need for our continual involvement and appreciation of the problems of pollu-

tion, which are increasing because of our increasing population, and because of the fact that many people, rather than saving things and using them over and over again, are now discarding all materials of consumption in an accelerated fashion. I should like to point to three recommendations which Messrs. Clark and Brown brought to the attention of the Ontario government. I do not think that we can differentiate between the jurisdictions because the problems that they have brought to our attention and on which they have made recommendations apply equally to the federal government. The first one reads as follows:

Immediate attention should be given to the co-ordination of the activities of all branches of the government concerned in the solid waste field, recognizing that integration of the processes to treat and dispose of these wastes might be achieved and that investigatory studies may have implications and benefits of common concern.

Another one reads:

Every attempt should be made to concentrate the research and development activities so as to provide for the eventual establishment of a centre for study and research.

One may think that this would be under the jurisdiction of the provincial government, but it is not in fact. I think we have a role to play in terms of leadership, money, research and assistance to municipalities and provinces.

Another important recommendation that was made is one which I hope the government has pursued in the past, and I hope we will hear about it from some members on the government side. It reads:

Data on the requirements, limitations and potentials of the various waste disposal systems should be made available to the public and to municipal officers on a continuing basis.

Another recommendation reads as follows:

Appropriate prototype facilities for a reclamation process should be established in such a location that the development of the process can be fostered and studied and under such conditions that the knowledge generated can be made readily available to all communities.

It seems to me that those recommendations can certainly be understood, accepted and implemented by the federal government, if in fact we are concerned about what is becoming a problem of ever increasing importance.

This is the third time that I have risen and spoken on this matter, and I will continue to do so. I know that the government has attempted to pay lip service to the motion that I have put forward on three occasions, but I do not think we have been doing enough. I think that pollution in all its aspects is an extremely serious problem. I am ready to accept that our young people are looking for answers to the various aspects of pollution which they find so unacceptable.

Mr. Cullen: The old people, too.

Mr. Alexander: Let us say, everybody. Perhaps I should not have singled out any one group in the country, because I think all of us are extremely concerned about the adverse effects of the different kinds of pollution of air, water, noise.

Mr. Nowlan: The hon. member wants to be included.

[Mr. Nowlan.]

Mr. Alexander: Yes, the hon. member for Sarnia-Lambton (Mr. Cullen), who is the parliamentary secretary to some minister who is not quite doing his job, wants to be included. It is always nice to have his interjections.

In conclusion I would like to state that the over-all nature of the problem is such that attention should be drawn to it. I should like to point out two or three other recommendations on which I am sure the hon. member for Sarnia-Lambton will wish to comment eventually so he might as well start writing now. Attention should be given to:

The improvement of organization and systemization of the waste material outflow portion of our consuming society,

The improvement of technology dealing with this outflow and with the separate steps of collecting, processing and disposing, and

The adoption of practices and policies that will close the loop between the materials consumption and the waste production parts of our society so that decisions relative to consumption will consider the waste product problem.

I do not think I can add any more at this time except to express the hope that when members rise to speak, particularly members on the other side, they will not turn this into a partisan issue since I did not until the hon. member for Sarnia-Lambton interjected, but rather will offer some constructive criticisms and an appreciation of the intention behind this third attempt to bring this subject before the House for the consideration of hon. members.

• (1720)

Mr. Colin D. Gibson (Hamilton-Wentworth): History may well record that the beginning of the decade of the seventies marked the turning point in man's use and abuse of the precious planet earth. In Canada, governments at all levels are becoming more and more aware that the biosphere is a closed system in which all things are recycled and re-used in support of the life process. Man, as a part of this closed life system, is dependent on it for his survival. Of all the living things, man alone is capable of consciously co-operating with nature to ensure his survival and progress.

Environmental modifications, which have accompanied our good yet shortsighted intentions of minimizing the spread of disease and maximizing the consumption of our raw resources, have had a global impact on human health and welfare. This has led our society to the discovery that we are dependent on, and part of, an ecosystem that we did not invent and must not destroy.

In this respect the hon. member for Hamilton West (Mr. Alexander) has given a very interesting, provocative and intelligent presentation to the House today. I commend him on his choice of subject matter. But as is usual, although the problems were raised, no suggestions for their solution were really presented. I intend to present what I believe are constructive suggestions that will help to solve the problems.

The hon. member suggested that we establish a research council of some kind, and that we spend many millions of dollars, at least that is what I believe it will cost, to gather civil servants and representatives of universities and industry together in such a research institute. I do not believe this would be an answer to the problem, for the simple reason that we live beside the

most powerful nation in the world, the most industrially advanced, and the most technologically advanced nation in the world.

I submit that there is a germ of a good idea in the speech made by the hon. member for Hamilton West, but I repeat that I do not think the real solution lies in establishing the kind of research institute he advocated. I believe we should be gathering information from the United States, a country which has many large, burgeoning cities that are coping with pollution problems. In this respect I think of the cities of Pittsburgh, Detroit and Buffalo. I believe we should ask them to share with us the know-how that they are developing in solving these problems because they have more cash to work with, and more expertise available to them than we have. In addition, they have ten times as many people working on these problems as we could afford. I believe that at this stage we would be well advised to pick the best advice we can get from our great neighbour to the south, and I believe our great neighbour is ready to help us, particularly in light of our good relations with the United States.

I believe that we could send a small task force to the United States to gather information there. Pollution is a continental problem. The Americans are friendly to us when dealing with such matters. When presented with a joint problem such as we had during the Second World War, the Americans co-operated with us. They co-operated with us in the development of the St. Lawrence Seaway, and I am confident that thanks to the good neighbour policy that still exists between Canada and the United States, they will help us in coping with the enormous problem of pollution.

Canada has taken constructive action in attempting to clean up the Great Lakes, in co-operation with the United States. However, I believe we must extend our efforts to reach across the border and create dynamic dialogue, not only with congressmen, senators and mayors in the border states, but also with the people who reside along the Great Lakes in the United States.

Mr. Speaker, 1972 is the year that the great environmental conference is to be held in Stockholm. In my opinion, it is vital that Canadian views be expressed at all levels of contact with the United States of America, and dialogue should proceed immediately to achieve an exchange of views with people in Buffalo, Detroit and other large U.S. cities, dialogue that will encompass people in Canadian cities like Toronto, Sarnia, Sudbury and Hamilton.

The Great Lakes can be saved for present use and for future generations. The time has come for instant and immediate discussions. I welcome the action taken by the federal government to date in substantially reducing pollution on the Canadian side of Lake Erie. The challenge now is not to attack the U.S. people but to persuade our giant neighbour to the south to take action at all levels of government, management, labour and the public. I believe that a conference attended by the heads of our two nations would be beneficial to this cause. I urge that serious consideration be given to the idea of establishing a system to curb pollution of the Great Lakes. I suggest that the International Joint Commission be given power, by international treaty, to recommend anti-pollution directives, to be delivered and publicized to polluters on both sides of the border.

I believe in the principle that the polluter must pay. I also believe that on both sides of the border we have been lax in finding a means of sending the polluter a bill for payment, with the alternative of an injunction order backed up by international agreement to enforce such measures. This could all be worked out under the aegis of the International Joint Commission.

Frankly, Mr. Speaker, I was rather in despair during my first year as a member of the House of Commons. We questioned officials of the International Joint Commission who appeared before the Standing Committee on External Affairs when it was considering the estimates of the Commission. I gathered the impression from them that they did not want to rock the boat. I gathered the impression that they did not want to accept any real responsibility. They simply wanted to express opinions on how things could be changed, but they did not want the responsibility for cleaning up the Great Lakes. They did not want the responsibility of sending a bill to anyone for payment. I believe they should be engaged in drawing up a constructive program to stop this pollution. I want in some small way to accelerate the process because we simply cannot allow the pollution of the Great Lakes to continue.

I believe that when the United States finally gets around to doing something about the matter, it will proceed to do so very rapidly. I believe that our role should be that of a catalyst, pumping enthusiasm into the great nation to our south, discussing this question at all levels and all ages.

The greatest factor causing pollution in Hamilton harbour is waste from the city. The secondary stage of its sewage treatment system has been reached in Hamilton, thanks to co-operation at all levels of government. Part of this system has been paid for by federal funds. Once the system is fully developed, a great percentage of the pollution in Hamilton Bay will be removed for all time. Industry is partly responsible for the pollution, but industry is playing a large part in anti-pollution measures. Both the huge steel companies there, the Steel Company of Canada and the Dominion Foundries and Steel Company are spending vast sums of money on pollution control. I believe they should be encouraged.

Further, Mr. Speaker, it is necessary that all parties realize that the residents of Hamilton Beach must be protected from continuing pollution hazards. I am confident that they will soon see happier days with the possible development of park lands for the use of people in that immediate area.

In closing I reiterate that the hon. member for Hamilton West has raised an extremely interesting matter. I think he was deficient in presenting solutions. I think the Canadian role today should be that of a catalyst, to inspire and work with the Americans in bringing about reforms in the field of pollution.

• (1730)

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I think the notice of motion before the House is a good one. It deals with a request to set up more research facilities in Canada in an effort to overcome some of the severe pollu-

tion problems facing the nation. Although we are able to discuss only briefly some of the many things which ought to be done to remedy this situation, I nevertheless am pleased because the hon. member for Hamilton West (Mr. Alexander) has brought this matter before the House and thereby has given us an opportunity to say publicly a few words on it.

To begin with, I presume that the motion is drafted in its present language because not sufficient research has been done in Canada or any other nation along the lines suggested by the motion. I could not agree more with that presumption, Mr. Speaker. Here we are, asking for a research development program to be set up with definite guidelines. In that connection may I say that my party has for a long time proposed the setting up of an environmental council of Canada. Such an environmental council should, in my view, be established along the lines of the Economic Council of Canada. They would be non-political. We would pick some of the most able people in Canada to sit on the council. They would report to Canada—every year, I presume—and outline the environmental problems which Canadians should meet. They would criticize, if necessary, any lack of program or policy on the part of the federal or provincial government—those governments which are supposed to be taking care of this problem.

I suggest that the need for research in Canada is urgent, just as it is in many nations of the world. A large number of articles and books have been written by people trained in this field. Some of them are biologists who have spent their lives studying the food chain, and so on, and they have indicated that we cannot continue along the lines we are following today and that we must take drastic action. Mr. Speaker, the proper action must be devised by those who have the expertise and training necessary to give us guidance in this field.

The notice of motion mentions solid-waste disposal. Although there is a host of pollutants in the world, I should like to deal briefly with solid-waste disposal and demonstrate the need for a plan to recycle all these solid wastes so that we can obtain from what is now waste material minerals and other materials which will assist in the industrial processes of the future. May I point something out before I go any further. I believe that three factors are invariably involved in research into pollution. One of those is population, the other resource development, and the third, of course, pollution itself. You cannot separate those factors, Mr. Speaker.

Canada, in common with other nations, will in the near future need to formulate a population control program. We must sit down and discover what will happen if the world in which we live becomes overpopulated. Information currently available tells me that by the year 2000, which is just 28 years from 1972, the population of this world will double. What will this mean? It means this: If the population doubles, the volume of material goods which the people of the world will need will also double. We shall need many more motor cars, colleges, schools, doctors, and so on. Vastly increased amounts of raw material will be dug out from our store-house of treasure in the earth, a store-house which the world holds, if the burgeoning population is to maintain standards of living that we currently enjoy. Many say that we cannot indefinitely go on as at present: there is a limit to how much food we can raise in the world and to the resources which can be made available for the use of individuals. Before we reach this limit, what must we do? First, I think all countries of the world, perhaps through the United Nations, will have to set out some kind of population policy and try to stabilize world population through a host of processes which I will not go into now.

If I may return to the subject of minerals, Mr. Speaker, a number of minerals throughout the globe are already in short supply. So far no plan has been made by Canada or by any country of the world, that I know of, to ration the mineral resources of this world so that those who come after us will have something to use. So far, nothing has been done to establish a program for reclaiming certain waste materials. This notice of motion suggests that more research be applied to the subject we are considering so that we may return to the economy—return to society, if you like—many minerals which today are wasted. I could think of all kinds of garbage dumps where minerals are being wasted. Commodities made of minerals are just thrown to one side, covered over with dirt, and left. Sometimes they are dumped in the ocean or the lakes and are destroyed.

Not only Canada and the United States, but other nations of the world are conducting research into this question in an effort to determine which materials can be recycled. We can all learn from these efforts and we should pool all this knowledge and the results of research. Perhaps an agency for receiving and disseminating knowledge in this field should be set up through the United Nations.

This spring, Mr. Speaker, there is to be a meeting in Sweden sponsored by the United Nations. All nations belonging to the UN organization will be invited to look into the problem we are now discussing—pollution and its effect on the ocean, air and life in general. I therefore hope that we will devise a plan of action for undertaking the necessary research in this field in order that we may solve the problem of solid-waste disposal and attempt to put most wasted materials back into use.

To show the seriousness of the problem, may I quote a few figures. It is useless ducking our heads in the sand and saying that eventually, if we dump wastes and solids somewhere, nature will look after them and break them down into their original elements. This will not happen, for pollution has become too serious a problem in Canada and every other nation of the world. The survey I am about to refer to was made in 1969. One might say that a survey taken two years ago was taken long ago, and so it was. Nevertheless, the situation is even worse now, simply because the so-called standard of living of people is rising rapidly. We have reached the stage where people can buy goods in containers that can be thrown away or discarded. This just adds to our pollution problem.

• (1740)

In this article they stated that the experts felt the problem of pollution and recycling required a radical change in patterns of consumption and disposal. I do not think anyone in this House would disagree with that statement.

They stated they checked with a number of large cities in the United States. Time does not permit me to give all the data. However, this is very interesting and is something which I think closely parallels the Canadian way of life. In talking about the United States, they said:

> Every man, woman and child in the country, on average is now generating more than five pounds of refuse a day—household, commercial, and industrial ... but excluding ... agricultural waste.

We find that in 1969—two years ago—every individual in the United States had every day of his life five pounds of refuse credited to him. When you multiply that by the over 200 million people in the United States, it represents a vast tonnage of refuse per year that has to be thrown away. The problem has become almost insurmountable in so far as municipalities and local agencies are concerned. Again talking about the United States, the waste includes, and I quote:

> That adds up to more than a ton per person per year ... It includes 30 million tons of paper, more than 4 million tons of plastic, 48 billion cans and 26 billions bottles and jars.

That is what they are trying to get rid of each and every year in the United States. The problem of pollution has become so immense that it is no wonder there is talk about recycling. The article continues:

> Collection and disposal facilities already are staggering under the load, which is increasing rapidly.
>
> "The major metropolitan areas are standing in front of an avalanche" ... and it's threatening to bury them."

The article points out that some of the larger cities are now planning to carry their refuse by train hundreds of miles away from the city centres. In fact, one city is planning to haul the garbage over 250 miles by train and dumping it in a desert area away from the burgeoning populations of the future. All they are doing is transferring the problem from one area to another. The answer to this question is not to take the refuge and dump it on somebody else's doorstep or in another area, although this might stall the problem for a short period of time. The answer is to find some method of recycling all the materials we have. This would be achieved by the type of research which the hon. member for Hamilton West indicates in his motion.

There is much more I would like to talk about, but the time allotted to me is running out. I am certain other hon. members want to speak on this subject. In conclusion, I would like to say that one of the weaknesses of this administration—and I might say that this is political—is that we have never had an environmental policy put to this House or the people of Canada. We need this type of policy. We must know what we intend to do about pollution. What shall we do about resource development, population, and management in the future? What are the plans for development of urban areas? Shall we concentrate more and more on the bigger cities and bypass other areas of Canada? If the plan is to set up a mid-Canada corridor or create cities and industries outside the current, large urban centres, now is the time to do it.

We have not had such a prediction from this government. At no time has there been an environmental policy concerning what we shall do and how we will conserve our resources. I add to the motion that I think research can solve this problem and at least give us a goal or goals toward which the municipalities, provinces and the federal government can aim in the years ahead.

Mr. Jack Cullen (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, unhappily, this motion puts the truth to the criticism with which lawyers are always charged, namely, the motion is too verbose, it does not hit the point and grammatically it leaves a lot to be desired. Fortunately, the hon. member who moved the motion had an opportunity to spend 20 minutes explaining what he was trying to say in about ten lines of the motion. Also, it seems he feels we are entering into a political atmosphere, because when one endeavours to make a polite interjection to indicate that not only the young people of Canada but all people of Canada are concerned about pollution, this is a political interjection. If the hon. member is so thin-skinned, he had better thicken his skin because the interjections will get rougher from this point.

Mr. Alexander: You can say that again.

Mr. Cullen: The hon. member may have a lot more time after the next election to be worried about the situation in Hamilton and to be a little more parochial. I do not think anyone can argue with the position put forward by the hon. member. The point he is trying to make is good. However, I would have liked him to have zeroed in on one area. In the limited time we have, it is impossible for him or any member of this House to do justice to this motion.

The disposal of solid waste is one of the great problems that faces each municipality, province and Canada as a whole. On a more parochial level, there were two gentlemen who did not wait for government grants or initiative. They saw the problem locally and decided to do something about it. The problem was the disposal of solid chemical waste. Mr. Stanley and Mr. Harry Goodfellow tried to find some method of disposing of chemical waste. They were successful.

When the hon. member for Hamilton West talks about coming up with something that is not only good for the standpoint of pollution control but economically feasible, he makes a good point.

The gentlemen to whom I have referred formed a corporation called Goodfellow Enterprises. Subsequently, Canadian Industries Limited looked into this project, saw that it was good and would be a money-maker. They recently purchased this company and will be getting into this field. It is that kind of initiative that has made Canada great—not the handing out of government loans and government grants all the time, but seeing the problem and doing something about it.

I have done a fair amount of research on this subject. One always hesitates to put forward his views because I am sure the hon. member will agree that when you rise in the House of Commons to talk about pollution control the tendency is to say, "No wonder he talks about this: he is from Sarnia," or, "from Hamilton." In this way we give our communities a bad name which they do not deserve, whereas in point of fact we can see the problem developing and are trying to nip it in the bud. In Sarnia we welcomed the Lambton Industrial Society which is look-

ing into all areas of pollution. They endeavoured to put their collective brains together to see if there was some way in this area to cut down air pollution caused by coal burning which has a higher sulphur content.

• (1750)

There are four general categories of solid waste—municipal, industrial, agricultural and mineral. It is my impression that major studies have been concerned primarily with municipal waste, the refuse produced by households and commerce which eventually finds its way to the public dump. Because this waste is so visible, attention is focused on it and other wastes do not receive the same measure of attention. However, it should be noted that in terms of tonnage, mining and industrial waste is astronomical by comparison with municipal waste. For example, in Canada in 1970, mining operations produced 440 million tons of solid waste, and agricultural waste totalled 150 million tons. Municipal waste accounted for only 17 million tons during the same period. I use the word "only" because of the huge amounts produced by other sources.

Municipal solid waste—garbage, in plain language—is anything that is deposited in a garbage can and a good many items that are not. It includes, in addition to everyday refuse such as potato-peelings, paper, rags, packages and old clothing, items such as junk furniture, worn out appliances, the refuse of industry and the debris from construction projects. Attempts recently have been made in Ottawa to recycle the discarded paper which accumulates in household waste. I hope they continue and that they will prove successful, because while the composition of refuse by weight varies from city to city, a typical Canadian or American municipal refuse accumulation contains 59 per cent paper. The remainder would be in roughly the following proportions: 10 per cent wood, lawn and garden waste; 9 per cent food waste; 8.5 per cent glass, other ceramics and ash; 7.5 per cent metal and 6 per cent clothes, rags, plastic, rubber and leather.

The hon. member who spoke before me suggested we should explore more vigorously the possibilities of deriving some benefit from waste. We might, for instance, find some use for tailings which are piled up around mining communities. Perhaps we could find a way of getting iron out of the slag dumps. This can be done at the present time but it is not feasible from an economic point of view. It is not right to suggest that no research work is carried out in this field. Before the war, research was being carried out in this connection, to my personal knowledge.

Who generates municipal waste? Everyone is responsible for generating refuse. It is produced constantly, day in and day out. It is produced by office workers, homemakers, factory workers, shopkeepers, farmers—virtually by everybody. The affluent produce more trash than the poor. The amount of garbage generated by Canadians in 1970 averaged 4.3 lbs. per person per day, a total of 1,580 lbs. per person per year. It is estimated that the average United States citizen generates 1,800 lbs. of solid waste per year, while in backward India the figure is about 200 lbs. Generally, everyday household trash goes into the garbage can for collection by the city through the agency of private sanitation companies. Business and industry usually arrange for a special refuse removal at their own expense. Regardless of how or where it is produced, virtually all refuse ends up as land-fill or in the incinerator.

It has been suggested, and the motion before us suggests, that the problem of dealing effectively with solid waste has now reached crisis proportions. Even if this is not the case at the moment, the stark statistic introduced by the hon. member who preceded me, namely, that the world's population will double by the year 2,000, is enough to convince anyone that the time to begin working very hard to eliminate the pollution threat through recycling and other means, is now.

Mr. Alexander: So it is not a bad motion after all.

Mr. Cullen: It is not a bad motion. It is poorly worded and it is hard to know where the hon. member is placing his emphasis. Maybe the next time he brings it forward he will concentrate on one or two particular areas.

Mr. Alexander: Read my other speeches which contained more statistics.

Mr. Cullen: I did. The hon. member said we should not lay blame in any one direction; that we should not be attacking the government but that we should examine all the areas involved. Yet when his remarks were interrupted by a polite interjection he sank to political partisanship which is unbecoming.

Some hon. Members: Oh, oh!

Mr. Cullen: We are not faced with a sudden crisis. Garbage has been around as long as mankind, ever since the Stone Age. The difficulty is that in the more congested, more sophisticated societies, it is not so easy to avoid the problems it creates. We cannot avoid it or walk away from it. Some time ago members of the Standing Committee on Indian Affairs and Northern Development had an opportunity to visit an Indian community which was established in the Northwest Territories at about the turn of the century. As a result of the build-up of hunting and household wastes during all those years, a pollution situation had developed. The department concluded that the population of the village ought to be moved from that particular site and consultation began with the Indians to see how their removal from this unhealthy site could best be arranged.

So it is not only modern cities which build up pollution through an accumulation of household waste. In times gone by it was possible for communities simply to walk away and find new sites for their homes. But this is no solution for people living in cities like Sarnia, Hamilton or Madawaska?

Recognizing we are faced with a problem we must act as all Liberal governments have acted, that is, we must devise satisfactory solutions. And the present government has come up with some splendid solutions—the clean air act and the clean water act, to name two examples. Some people say they are not enough—but they are important steps forward. I, personally, would like to see the International Joint Commission be given more money and greater power so that it could do what needs to be done to clean up the Great Lakes.

Some hon. Members: Six o'clock.

[*Translation*]

The Acting Speaker (Mr. Boulanger): The hour appointed for the consideration of private members' business having expired, I do now leave the chair till eight o'clock p.m.

At six o'clock the House took recess.

[*English*]

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

CANADIAN NATIONAL RAILWAYS AND AIR CANADA

PROVISION FOR CAPITAL EXPENDITURES AND GUARANTEEING OF SECURITIES AND DEBENTURES

The House resumed consideration of the motion of Mr. Turner (Ottawa-Carleton) that Bill C-4, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways system and Air Canada for the period from January 1, 1971, to June 30, 1972, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company and certain debentures to be issued by Air Canada, be read the second time and referred to the Standing Committee on Transport and Communications.

Mr. Barnett J. Danson (Parliamentary Secretary to Prime Minister): Mr. Speaker, as I was saying prior to private members' hour, the whole question of containerization in air transportation has, in my opinion, an increasing role to play. We were talking about cargo containers and I should also like to speak of the possibility of passenger luggage containerization which might be developed within similar parameters. In either case, the object would be to load cargo and/or passengers in a container and an aircraft according to their ultimate destination. Thus, a container for Montreal, Toronto or other points serviced by the central airport facility could be loaded on the same aircraft but quickly unloaded on to the ground transit vehicle with the minimum of handling for the balance of the journey. Packaging passengers in that way may sound somewhat inhuman, but we are thinking of larger units, which might be a whole vehicle or aircraft, or a significant portion of it.

It can be seen that such a system could eliminate a number of costly and time-consuming steps in any long air journey. It would seem logically to follow that the ground vehicle, or a section of it, would be stationed immediately adjacent to the unloading aircraft and simply joined to the main line track, or other right of way hopefully going in the right direction. As the major part of the initial system would parallel the St. Lawrence Seaway, further possibilities for integration with water transport exist. This is in addition to the availability of

fresh water for the industry and population to be served by this industrial transportation corridor.

Such a centrally located facility would immediately serve smaller cities whose travellers must presently find their way to cities served by major airports. For longer journeys they would have the Kingston airport, and for shorter journeys they would have the surface transport to the airports handling short and medium haul flights. It should take more than a footnote to indicate that the ground transit would have to be tied into the existing airports for connecting short-haul passengers and cargo.

The addition of tie lines to the ground transit system would be logical even in the early states. The most obvious tie-in would be the nation's capital, not only providing it with better air service but, again, eliminating a significant amount of short-haul air traffic between Ottawa-Hull and the country's two largest cities, Toronto and Montreal. This should reduce air traffic movement, according to my figures, by a further 5 per cent in Toronto and 6 per cent in Montreal, at today's rates. Communities such as Belleville, Brockville and Valleyfield would be served by the main line. Cities such as Peterborough could be conveniently tied in by a number of alternative methods. Northern New York state cities, such as Rochester and Syracuse, could be serviced by hovercraft or hydrofoil vehicles.

A natural extension of the ground service would be to cities such as Quebec and Windsor,serving intermediate points such as Trois-Rivières, Sorel, Hamilton, Kitchener and London. This would service existing population and industry and encourage the economic growth of regions now not economically or conveniently accessible. It would create an industrial corridor extending some 750 miles with convenient interchanges of people, industrial components and goods.

Ultimately further tie-lines could be extended to regions such as Lac Ste. Jean and the eastern townships, and northward from Toronto as far as Sudbury, allowing commercial access as well as providing a transportation system which would take people from the crowded urban centres to some of the most beautiful recreation areas in the country.

I previously mentioned that time rather than distance is the key factor in transportation of people. With high-speed surface transport, people could enjoy the benefits of country or smaller town living while being able to work in the major cities. This provides a better life style for some while at the same time taking the pressure for growth off the already strangling large urban communities. One could conveniently live in Cobourg, Ontario, and work in Toronto. With a northern line one could live in his year-round home on Lake Simcoe, or even in Muskoka, while one's means of livelihood was in Toronto. I am sure similar examples could be drawn for Montrealers.

It has been estimated that a major airport requires a community of 100,000 to 150,000 people to service it. I notice that these are just about the figures being used in conjunction with the new Toronto region airport. This includes not just those employed at the airport but their families and the multiplicity of services they require, such as shopkeepers, barbers, travellers, doctors and lawyers, plus the recreational and administrative needs of all.

Existing centres would develop, but it may also be necessary or desirable to inaugurate new planned communities, perhaps 25 or more miles east and west of the airport site enabling airport personnel to commute in minutes—a great opportunity for the planning genius of a Buckminster Fuller or a Moshe Safde or any number of excellent Canadian planners!

One of the key considerations would be air and noise pollution. This factor is one that makes the Kingston region a logical one, assuming that the facility is not immediately adjacent to Kingston. It is likely that any major housing development within a 10 to 25-mile radius of the airport would be forbidden. An extension of this would be expropriation of land and the establishment of a national park or wilderness area. This provides an apparent contradiction because one would hardly think of a wilderness area beset by air and noise pollution.

• (2010)

Normal traffic patterns would have considerable bearing on the land use. Industrial development could be quite satisfactory, even complementary in some areas. Other areas might prove quite suitable for wildlife, while others for camping. Considerations for permanent living are quite different from those for industrial or occasional use. The need for nature preserves and lands for recreational use will grow, as does population and leisure time. Not all will choose to live in less dense areas and commute. Even if such an area were to serve just the Kingston region, the growth of that city as the hub of the transportation network would be sufficient justification.

I mentioned previously that the ground transit would have to connect with existing airports serving Toronto and Montreal. In so far as passengers are concerned, there may be a case made for interconnecting air shuttle service. Similar services may be provided for other communities, particularly those not served by the ground transit system. Canada's STOL development might well provide the proper type of aircraft for such service.

It is further possible that traffic volumes might justify interconnecting flight schedules with other major cities in the medium haul range, such as Winnipeg and Halifax. These services would apply to incoming and departing long-range, international and transcontinental flights of the Los Angeles-Kingston type.

Frequency of schedules for the surface transit is an essential factor. All of the time advantage could be lost if infrequency of schedules required passengers to take the "ten o'clock", arriving at 11 to catch a noon or 1 p.m. flight. Conversely the arriving passenger might have to wait an hour or more for a departing train or unit. The growth of the corridor would ultimately justify frequent arrivals and departures, but any frequency which could require waiting periods of an hour or more would seriously impair the total concept.

Technology, again, can provide the answer to this problem. Smaller groupings of surface vehicles can provide part of the answer. Economic, self-propelled modules are another possibility. Perhaps the best solution is a continuing or perpetual power source into which the module or unit is connected with schedules and the number of modules in a transit unit is contingent upon demand. But this is another problem for the scientists, Mr. Speaker.

As one thinks in terms of the emphasis Canada should give in the areas of science policy, research and development, it would seem natural that transportation should rate high on any list of priorities. There is no reason, however, why we should have any natural advantages, in spite of the fact that we have natural potential and problems. Without a project to give focus and thrust, as well as market, we could wander in the never-never land of unapplied research. This project would be the catalyst for a national scientific effort which could have significant international market potential.

An international centre for transportation studies could be established, perhaps at Queen's University in Kingston. Other Canadian universities could be participants covering specific areas of concentration. At the same time, international dimension could be provided by encouraging visiting specialists from other countries to participate. Not only would we achieve the results of research, but we could also train specialists to administer our transportation systems.

The broader aspects of transportation should be intertwined—the sociological ramifications, the industrial development, urban styles and the unifying effects on a nation so diverse in all its aspects. The economic consequences could be substantial, resulting in the sale of technology and much of our hardware abroad.

The regional economic benefits are obvious—efficient transport of goods within a major market; components from a tool shop in Windsor delivered rapidly to the major assembly plant in Sorel or Quebec city; greater mobility of labour; a direct tie-in to the automotive heartland of the Detroit area and adjacent to the Boston, Washington, Chicago triangle, the largest market concentration in the U.S. and perhaps the world.

The project itself develops its own market. The rolling stock, containers, the switchgear and complex electronic systems all feed high technology, labour-intensive Canadian industry. With developed know-how we would have immense export potential in a field in which we could be pre-eminent. Examples of subsidiary economic benefits are virtually endless.

Mr. Speaker, you might ask about the cost of such an operation. That is difficult to project but I think there are certain trade-offs. This is of greater value to eastern Canada than the economic well-being of western Canada. Western Canada might ask, what is in it for us? I would suggest any improvement in our transportation system and the economy in any part of the country is good for all parts of the country. I would suggest that we also think of pipelines for gas and oil to serve our eastern markets. There are those who ask why we should spend more money for western oil or gas when we can bring in offshore or foreign product? Well, Mr. Speaker, I think this is part of the price of belonging to the club, part of the price of being Canadian. For many years westerners have paid a higher price for consumer goods produced in the eastern industrial centres in order to protect the economy of eastern Canada and this, in turn, helped them. It works both ways, and I think this is the trade-off. I do not know

what the cost would be—say about $100 billion. No one can argue with those figures.

An hon. Member: Billions.

Mr. Danson: Whatever the cost, it would certainly be outweighted by the benefits and would be substantially less than the ultimate cost of laissez-faire development or lack of purpose. This is the greatest danger we face.

The Kingston airport itself is not the key to the whole concept. I think it is a major component in a vital plan. The whole transit system is important and I think the Kingston airport could be the cornerstone.

All this came up, Mr. Speaker, because of the subject of our debate and the recent announcement of the major airport which will take up a large segment of my constituency. I mentioned the effects on my constituency earlier, which are not all pleasant, but this is the price of what I guess we call progress, or a type of progress. The economic benefits for my region are considerable, but many of my constituents are concerned about the possible selling price of their homes. However, past experience indicates that this price rises in such circumstances. There is a tremendous amount of economic fall-out from an airport facility—new industry, new job opportunities, new business opportunities and excellent transportation, so the cost of existing properties should increase.

But that is not my sole criteria, Mr. Speaker. The economic benefits are great but I think we should consider the human benefits, particularly as we talk of the long-term. I like to think what might have been decided 20 or 30 years ago if politicians then had been talking about the type of future, the type of cities, the transportation networks which we would require today. In its initial stages, I think this is the type of thing that could be a priority task for the recently established Institute of Public Policy Research. This may be the sort of thing it is designed for—to look well into the future and do the type of forward thinking for which we in this chamber do not have time. Regrettably, our system is reactionary—we react to events, political pressures and economic pressures. But the Institute of Public Policy Research is a non-partisan vehicle supported by all levels of government and the private sector. It should be able to look at long-range goals and perhaps give guidance to politicians like ourselves so that we may more realistically base our policy.

In any event, Mr. Speaker, I hope that what I have suggested will be raised in committee with the officials of the railways, the airlines and the various departments involved. Now that we have made the decision for current needs for the next 20 or 30 years, for the next generation, it is time to start thinking beyond those years because the potential for our country is considerable. If we are wise now and look ahead, our children and grandchildren will thank us—but if we do not, they will damn us as some damn our forefathers today.

• (2020)

Mr. James A. McGrath (St. John's East): Mr. Speaker, the interest in this bill, which is perennial, is about proportionate to the influence of what we say during the course of this debate to the CN and its operations in the next year. As a matter of fact, I know of no other Crown corporation or agency responsible to this Parliament which is less responsive to the wishes or the influence of Parliament than is Canadian National Railways.

However, we nevertheless welcome the opportunity provided us every year through the vehicle of this financing bill to place on record our views and grievances. I come from a province which perhaps—yes, without a doubt—is more dependent upon Canadian National Railways and the services of CN than any other province in Canada. We are totally dependent upon CN both from the point of view of Air Canada and the service provided to our province by Air Canada and the ground service provided to us through the railways and the ferry services operated by CN.

Just about three years ago Canadian National was permitted to suspend rail passenger service in Newfoundland as a consequence of an application placed before the Canadian Transport Commission. I refer to the order of the CTC of July 3, 1968, No. R.2673, which gave authority to Canadian National Railways to discontinue its rail passenger service in the province of Newfoundland. Since that time our province has been without rail passenger service, the only province in the country so deprived. Consequently, we have to suffer the shortcomings of what is at best a most inadequate public transportation system.

Perhaps this is the most opportune time—indeed it will probably be the only opportunity we will have in the course of this Parliament—to review what has transpired since that decision of the Canadian Transport Commission of July 3, 1968. I would point out that I was very happy to join my colleagues in the submission to the CTC dated February 15, 1972, in which we asked the commission to reconsider its order of July 3, 1968, permitting CN to withdraw rail passenger service in Newfoundland. Our reason for doing so was prompted by a decision of the commission on February 8, 1972, in which it issued a decision requiring the railways, CN and CP, to continue operating rail passenger services between Montreal and the maritime provinces. The railways had applied to the commission for permission to withdraw this particular rail passenger service, which included the main line operations between St. John's, Moncton, Halifax, Sydney and Montreal as well as the various connecting services to the maritime points and the Gaspé regions of Quebec. The commission, in its release announcing that decision, said:

> Cost studies carried out by the commission in connection with the February 8 decision identified a total actual loss on these services of $14,834,298 in 1970. Under the law, the services now are eligible for federal subsidies of up to 80 per cent of annual losses. At the 1970 level, this could cost the taxpayers almost $12 million a year or $1 million a month.

I can think of no better way than to continue quoting from the release of the commission:

> The decision, by the Railway Transport Committee, saw no evidence that the services could be rendered profitable with current schedules, operating practices and equipment. It added: "Hence, given the actual losses incurred and the demands and traffic patterns, the committee is of the opinion that it is possible through imaginative improvements to develop a maritimes passenger-train system which will satisfy the needs of the travelling public and, at the same time, justify whatever cost there may be to the federal treasury.
>
> In this decision the committee identifies the basic rail passenger network as it presently exists in the Atlantic region east of Mont-

real. Pending the achievement of its objective as just stated, the committee determines that all the passenger-train services under consideration should not be discontinued. As time goes on, and suggestions or proposals for improvement are analyzed and accepted by the committee, it may be necessary to require alterations in the services as presently operated, having regard to the needs of the travelling public and the cost to the Canadian taxpayers".

That is the end of the quotation which in effect is the judgment of the commission in response to the application by the two railways to discontinue the service between Montreal and the Maritime provinces. As I indicated, this rather momentous decision by the commission prompted the submission my colleagues and I made to the commission on February 15, 1972, to which I shall refer in a moment. I should like to quote from this release because I think it is very relevant to my remarks. The committee stated in its release:

In order to ensure that all possible methods of improvement are considered, the commission invites suggestions from the public. Such suggestions, dealing with mainline or local aspects of the services, should be submitted in writing—

Then the address is given to which one should write.

Persons making submission are asked to give consideration to the following points:

1. Routing, including possible combinations of service on CNR and CP Rail lines.
2. Frequency of service on the resulting route or routes, with possible variations in summer and winter schedules.
3. Train departure-arrival times.
4. Connecting services by rail, road, air and water.
5. Methods and costs of providing meals.
6. Methods and costs of providing sleeping car service.
7. Fare levels for coach services.
8. Improved reservation procedures to reduce the "no show" problem.

The commission hopes to obtain responses from the appropriate departments of provincial and municipal governments, the railways, trade unions, travel agencies, public bodies and individual citizens. It is particularly interested in the views of those members of the public who have actually travelled on the trains in the last two years.

• (2030)

We feel that the decision of the Canadian Transport Commission is very relevant to the arguments we have placed before the House since the commission in its judgment of July 3, 1968, allowed by its order No. R. 2673 Canadian National to discontinue railway passenger service in Newfoundland, hence depriving our province of a total, comprehensive public transportation system.

Now I should like to quote from the submission of the Newfoundland members of parliament to the commission, of February 15, 1972, which reads in part as follows:

We submit that the bus service provided by Canadian National as an alternative to the train service does not now, and probably will never, fulfil the needs of the travelling public. Service has been anything but adequate; even more alarming, service is less than safe—as statistics recording the number of accidents will attest.

My colleagues and I will present arguments to support that contention during the course of this debate. Our submission continues:

One of CN's own vice-presidents, J. A. McDonald, has said publicly that "anyone who has experienced the miseries of peak congestion on even the most modern 12-lane super highway will recognize that road transport is incapable of providing adequately for all the needs of the travelling public". In Newfoundland, we have no 12-lane super highway: it is a two-lane, and the miseries and agonies of travelling by bus along the nearly 600 miles can be documented at length.

My colleagues and I will attempt to do just that—document our case in this respect. We feel that the poor service in Newfoundland during the past three years—the "road cruiser service" as CN styles it—is totally inadequate to meet the needs of the travelling public. Buses are uncomfortable and less than safe. In fact, they do not meet the demands of the public travelling over such long distances in order to make necessary connections with the mainland transportation system.

Why have we arrived at the state where we have an inadequate bus service which is supposed to be superior to the rail passenger service which it was to improve? It is a fact, as we have indicated during past debates on bills similar to this, that the CN deliberately set out in Newfoundland to downgrade the passenger service so that patronage would fall off to the point where they could successfully file an application with the commission pointing out that the service was no longer being patronized to an extent to justify continuing the service and that the operating deficit was increasing to the point where CN felt that it was no longer able to carry on.

They took a five-year trial period for purposes of their application. During that five-year period they took one year by their own accounting procedures which are incomprehensible to most people. They were able to show that the rail passenger service in Newfoundland for that particular year operated at a deficit of $900,000. Yet, the service in the maritime provinces is going to cost $1 million a month, whereas our service for the entire province during its most difficult year was only able to arrive at a maximum deficit of $900,000. Service was downgraded and deliberately slow. There can be no doubt about that. It was downgraded to the point where patronage fell off and where, as I have said, they were able to successfully appeal to the commission through the collusion of the then provincial government—and, I might say, the collusion of the Canadian Transport Commission and the government of Canada—and argue a case for the discontinuance of rail passenger service. Presumably they were able to satisfy the commission that a bus system in Newfoundland would not only meet the needs of the travelling public but would also be more economical to operate.

What is the case? For the year 1970-71 the bus service in Newfoundland, the CN road cruiser service, operated at a deficit of $400,000, plus considerable inconvenience and discomfort to the travelling public the like of which was never known during the days of the rail passenger service. What about the safety feature of this new bus system? I will not say too much about that because my colleagues, the hon. member for Gander-Twillingate (Mr. Lundrigan) and the hon. member for Grand Falls-White Bay-Labrador (Mr. Peddle) who represent constituents who are much more familiar with the bus service than I am, will I am sure outline the unsatisfactory safety record. Suffice to say, however, that there is growing concern in the province of Newfoundland among the travelling public

about the growing number of accidents involving the CN road cruisers.

The inadequacy of the system was dramatically underlined and sharply driven home during the recent strike of the air traffic controllers. The province of Newfoundland which, as I said, is totally dependent upon CN services, found itself totally dependent upon the CN road cruiser service for connections with the mainland. The people had to try the bus service because no other alternative was left open to them, and they found out for themselves the discomfort, indeed the hazards, of travelling across the 600 miles of Trans-Canada highway in Newfoundland to get to the mainland via this means.

We believe that the time has now come when the government agents, the Canadian Transport Commission, should reconsider the decision that it took in July of 1968 in light of the operating experience of the past three years. If they do that in an objective way by having public hearings, calling witnesses and having the kind of examination of the service which will bring out the facts, we believe that in fairness they can only come to the conclusion that they erred in their decision of July, 1968, in allowing Canadian National to discontinue rail passenger service in the province of Newfoundland.

I am not arguing for a return of the system, as we knew it, for a return of the Newfie "Bullet" of fame, but I do suggest that since we do have an inadequate system and we are totally dependent on this road cruiser service operated by the CN monopoly in Newfoundland—since this service is operating at a substantial deficit which is increasing and, I submit, at a considerable inconvenience to the public—the time has now come when it is incumbent upon the government to consider the advisability of providing the province of Newfoundland with standard gauge rails.

• (2040)

I realize that this is something that should have been done 22 years ago when Newfoundland became a province of Canada. But it was not done then. I think a case can be made for it now. What better way could there be for the Department of Regional Economic Expansion, which is so involved in substantial expenditures in Newfoundland, to provide a so-called infrastructure? What better could it do than provide funds whereby Canadian National and the government of Canada would standardize the rail lines in Newfoundland to link us with the rail network of North America? This would make eminently more sense than some of the infrastructure expenditures that have been undertaken by that department during the past two years. It would have the effect of making transportation to Newfoundland considerably more economical than at present.

In the first instance, it would provide the people of Newfoundland with a direct connection with the rail lines of the continent for passenger service. And, probably even more important, it would provide the province of Newfoundland with a direct link with the continental rail network for the purpose of freight transportation, which is so important to my province which is totally dependent upon imports of consumer goods from the mainland of Canada. We feel there is a case to be made for such an expenditure by the Department of Regional Economic Expansion.

I regret that the Minister of Transport (Mr. Jamieson) is not present for this debate. I am sure he has a very good reason for being elsewhere, but the fact remains that he is not here, able to hear or respond to the arguments presented by hon. members during the course of this debate. Hopefully, we will have another opportunity to present these arguments and to question the minister during committee stage of the bill.

I feel we should now take a long, hard look at the situation in Newfoundland with regard to Canadian National. I believe it is difficult, if not impossible, to justify CN bus service in the province of Newfoundland which is unable to meet the demands of the travelling public and must operate at a growing annual deficit.

As I indicated at the outset of my remarks, Mr. Speaker, we are short-changed in that we do not have adequate public transportation service in the province of Newfoundland but have inadequate transportation service which hampers resource development. It also hampers tourist development and causes considerably inconvenience to the travelling public. For these reasons alone a case can be made for reopening the whole application and the whole area of the decision which was made by the commission in 1968. In this respect it might be advantageous to quote from the MacPherson commission report. This commission made its report in 1961 but it is the only report we have. We feel it is still relevant. As recorded at page 72, volume I, the commission stated:

> Locational and resource disadvantages are well known in Canada. Remedies for overcoming them have been built into national policy. Transportation has been used as one instrument for mitigating locational disadvantage ... Locational disadvantages can still be ameliorated by national transportation policies.

I do not think that we have a national transportation policy. The Parliamentary Secretary to the Prime Minister (Mr. Danson) referred to this question during the course of his remarks. I think the way he put it was that there is need for a more integrated transportation policy. The leader of the NDP made the same point during the course of his remarks, which I substantially support. We can refer to the recommendations of the MacPherson commission as supporting argument for our contention. But there are also other data which will support our argument. If transportation in Canada is to make sense, then transportation decisions, as the leader of the NDP said, will have to be made on the basis of public need and not on the basis of political expediency.

It was political expediency that brought about the decision of the commission, in the first instance, which allowed CN to withdraw railway passenger service from the province of Newfoundland. Decisions should not be made on the basis of some sort of simplistic approach, the kind of simplistic approach advocated by the Minister of Transport. It is interesting to examine what he said before the Standing Committee on Transport and Communications at its hearings on February 25, 1971, dealing with this matter. He said:

> Where it is feasible it is still the objective of the ministry to provide services on a cost-recovery basis to the maximum extent possible.

If we are to have a transportation policy based on that philosophy, then it is my contention that the people of Canada will be shortchanged. It is my contention that if we are to have a public transportation policy based on a pay-as-you-go philosophy, then we will not have an adequate transportation system in this country. Certainly the facts, as I have tried to lay them on the record, indicate that this is so in Newfoundland today, because the arguments used to support the decision to disallow rail service in Newfoundland were purely on the basis of cost-recovery or on the basis of operating deficits.

No public transportation service can operate on a break-even basis, let alone a profitable basis. The public will have to underwrite the cost of public transportation. It seems to me that the difficulties we are experiencing are a direct consequence of the attitude of the government of Canada and of the Minister of Transport, whose philosophy I have tried to outline in the quotation I have given. The minister would be well advised to heed the words of his cabinet colleague, the Minister of Regional Economic Development (Mr. Marchand) who, when he was president of the Confederation of National Trade Unions in 1961, said:

—transportation policy is closely tied to economic planning and as such must be linked to the common good and not the profitability of private enterprise.

Public transportation must flow from a direct, integrated government policy on transportation. We do not seem to get that from the government. I submit that until we have a definition of the government's policy on transportation, we will have this ad hoc, hit or miss attitude of the Canadian Transport Commission carrying out what they interpret to be the philosophy of the government of the day. We need only add that until we have such an integrated and adequate transportation policy from the government we will continue to have conflicting decisions by the commission which, under the scrutiny of examination, make no sense at all.

Therefore I appeal to the government, and in particular to the Minister of Transport, to enter into discussions with the president of the CTC with a view to at least having public hearings into the service provided by Canadian National in Newfoundland since the momentous decision of the commission in July, 1968, by which it allowed Canadian National to withdraw from railway passenger service in the province. Such an examination in my view, Mr. Speaker, can lead only to the conclusion that Newfoundland is inadequately served by the public transportation system of this country. That inadequacy must be met by this government. We feel it can only be met by serious consideration being given to providing the necessary funds whereby the province of Newfoundland, in keeping with the latest technology, can adopt the standard, gaugerail line. That would at least link us with the continental rail network and thus give us half a chance to get goods in and out of the province and provide our people with decent rail service.

• (2050)

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, the bill now before us is one in which Parliament is being asked to vote money for the Canadian National Railways and Air Canada. Naturally, the debate on this bill becomes one in which Members of Parliament state their views as to improvements in various areas that ought to be made by both these transport agencies.

The leader of this party, the hon. member for York South (Mr. Lewis) spoke this afternoon in a general way, indicating our view with respect to transport policy in a broad sense. He also said that a number of us in this party would be dealing, one by one, with specific issues. I intend to confine my remarks, therefore, to the matter of further improvements that must be made with respect to the pensions of the Canadian National Railways. I am very conscious that a little over one year ago the Minister of Transport (Mr. Jamieson) stood in his place in this House and announced a significant and deeply appreciated improvement in the pensions of Canadian National employees already retired. I am happy to underline today the appreciation I expressed on that occasion. I refer to the minister's announcement of Friday, February 5, 1971, to be found at page 3102 of *Hansard* for that date. However, Mr. Speaker, a year has gone by and, as it is popularly put, those concerned are asking, "What have you done for us lately?"

Despite all the good things we were able to say about the announcement of a year ago, we also pointed out then that there were two or three notable shortcomings with respect to what was done at that time. Now we must add to that that one year has gone by, the cost of living has gone up and many CNR pensioners whose position was improved a year ago now find that they are back where they were.

Sir, I said a moment ago that I would confine my remarks tonight to the matter of Canadian National pensions. May I add that I want to divide what I have to say into two main areas. First I want to talk about what can be done to improve further the lot of Canadian National pensioners already retired. Having done that, I shall turn to a second area, namely, the one major improvement, amongst others, that I think ought to be made in the Canadian National pension plan, an improvement affecting those who are still in the service of the CNR.

Going back to my first concern, that of pensioners already retired, may I indicate that the announcement made one year ago was that there was to be provided an increase in the pensions of those who had retired on or before December 31, 1969, and that that increase would amount to 2 per cent for each full year of service. That increase was made effective on January 1, 1971. The pensioners concerned got their first payment of the increase in April of last year, and they have been getting ever since the increase so provided. However, the principal shortcoming of that increase was that it was a one-shot proposal: the increase was granted then, but there was no provision for an additional increase in 1972; there is no provision for another increase in 1973, and so on. Thus, although the cost of living is going up at between 4 and 5 per cent a year—and I think that is a conservative estimate for me to make—these people do not even get the 2 per cent increase in their pensions that quite a number of pensioners under other jurisdictions now receive.

I said on February 5, 1971, that that was one of the main shortcomings in the announcement made at that time. I pointed out that it was a one-shot proposition and that

there was no provision for these increases to be granted on an annual basis. May I point out, Sir, that that is what is done with respect to the pensions of retired public servants. The increases that were provided for them a year or so before that were reasonably comparable to the increases provided for retired Canadian National employees. Actually, they were better, because there was a compounding element in those increases that Canadian National pensioners did not get. Not only did public servants get the first increase; they have continued to get the increase of 2 per cent on the gross amount they are receiving every January as the cost of living has continued to go up. That applies also to those on old age security who are also receiving the guaranteed income supplement.

I regret that it does not apply at present to those receiving only the basic old age security pension. However, it also applies to all sorts of other people who are retired under federal auspices. It applies to retired Members of Parliament, and so on. If any one of us leaves this place and goes on pension he will find that, provided he is over 60, his pension will increase by 2 per cent per year if the cost of living has gone up by that much. History seems to suggest that it will continue to go up by at least that amount.

My point is that although there are these other groups which not only get pension increases but which also get these increases every year, the increase for Canadian National pensioners was a one-shot proposition and there was nothing after that. I think that is grossly unfair and something ought to be done about it. Not only have there been no subsequent increases for these people; in addition, any employee of Canadian National Railways who retired on or after January 1, 1970, is not covered by the scheme that was announced one year ago. Those Canadian National employees now retiring are retiring on what I regard as the worst kind of pension, namely, a pension of fixed amount with no provision for that amount to be increased.

Sir, this whole matter was discussed at length in the session previous to this one. Indeed, it has been discussed for a great many years. During the third session of the present Parliament we had the matter referred to the Standing Committee on Transport and Communications for a very thorough study. That committee made a report, to be found in *Journals* of the House of Commons for 1969-70 at pages 1290 to 1296. The report was tabled on October 5, 1970, and is found in the pages I have indicated.

• (2100)

I also point out that this report, which was a unanimous report as far as the committee was concerned, became the opinion of this House of Commons because later, as noted at page 1425 of *Journals* for that same session, that report was concurred in on a motion made on behalf of the committee by the hon. member for London East (Mr. Turner). The recommendations of the committee to which I have referred became, as I say, the recommendations of this House of Commons.

As I have indicated, the report covers a number of pages. I am not going to take the time to read them all. I am not even going to read all of the seven recommendations with which the report concludes. Instead, I draw particular attention to three of those recommendations. I mention the first one because it is a case where I can extend my compliments to the Canadian National Railways. I am referring to the third recommendation, which was that the Canadian National pension board should be restructured. Its powers should be increased substantially. In particular, we asked for equal representation, as we put it, between the unions and the company. The old set-up was that the board consisted of seven persons, three appointed by the employees through their unions, three appointed by the company and a chairman appointed by the company. That is a strange brand of equality. In effect, it became a seven-man committee with the company having four men on it.

This was responded to rather generously by the Canadian National in that the pension board now consists of ten members; five from the management side and five from the employees side, with the chairmanship alternating. I forget the period of time for which each chairman presides over the committee. At any rate, the chairmanship alternates between a representative of management and a representative of the employees. That is good. In addition, although I do not believe this is written into the rules of the pension board, there is an understanding that each of the two sides will ensure that one of its five representatives is a pensioner so that the viewpoint of those now on pension will have some representation on the board.

The whole question of how much power that board has is another matter. I will not take the time to go into it now. However, I wanted to refer to recommendation No. 3 of our committee which, as I say, called for the restructuring of the pension board as well as for its democratization, and to say that I welcome the action that has been taken. I can also say that many pensioners and employees of Canadian National take heart from this change. They hope that beneficial results will follow from it. The other two recommendations to which I draw special attention are Nos. 4 and 5. I quote No. 4 as follows:

> At the outset, this committee wishes to point out that the Canada pension plan and the Quebec pension plan adopted the principle of adjusting pensions for cost of living increases. Furthermore, a second important principle has been adopted whereby Parliament in the name of all Canadians applied the cost of living adjustment on a current basis, but more important, retroactively to all public service pensioners.
>
> The committee strongly recommends that these principles be adopted on a broader basis and that other major employers, including Crown corporations, recognize their obligation to follow the lead of Parliament in this regard. The committee specifically recommends that the Canadian National Railways implement these principles forthwith.

Let it be very clear that what we were recommending in that fourth recommendation in our report was that the Canadian National Railways should do what was done by Parliament for public servants and what has been done in the Canada pension plan and the Quebec pension plan, namely, that the escalation of pensions should be put on an annual basis. In other words, every year in which the cost of living goes up, pensions should go up accordingly. There is a 2 per cent ceiling there which I do not like or accept, but that is another issue.

Welcome though the announcement of the Minister of Transport on February 5, 1971, may have been, it was only one portion of what the committee recommended. It was only a one-shot increase with no future increases provided. I contend that one of the things that certainly needs to be done is to make it clear to Canadian National that, good as this was a year ago, it is not now good enough. Even if we have to live with this 2 per cent ceiling for a while, until we get rid of it in the Old Age Security Act, the Public Service Superannuation Act and so on, surely we could at least provide the same benefit for Canadian National pensioners who are retired, namely, an escalation of their pensions every year in which the cost of living increases. I believe very strongly that this should be done.

When we get this bill to the committee, I believe the Canadian National officials should be asked to come before the committee and answer the obvious question: When you accepted our recommendation, why did you accept it on only a one-shot basis? Why did you not accept it on the basis which we proposed, namely, that it be an annual increase as is the case with public servants, the Canada pension plan, the Quebec pension plan and so on?

We will have to remind the Canadian National officials when they come before us that because of the motion made later by the hon. member for London East, which had the unanimous support of this House, that recommendation was the recommendation of the House of Commons.

The other recommendation in this report to which I would like to draw attention is No. 5. It is rather lengthy. Perhaps I might be permitted to summarize it, hoping that I will not do violence to it. It is one of those recommendations that gets all-involved in amounts of money owing to the fund, amounts that are paid, amounts that are not paid, interest on those amounts, and all the rest of it. Those on the committee will remember we had long and involved arguments about all this. The company was accused by some witnesses of running away with money and so on.

Even when you boil all this down to a minimum, and even when you deal only with what the committee could support unanimously, we came up with the recommendation that there is an amount of $7 million annually that Canadian National should be putting into the pension fund and that that annual debt of $7 million arises because of what we call in our report the oldest contributions in the fund. We say that this $7 million that is owed annually should be used for the benefit of the oldest employees. I quote:

> For these reasons, the pensioners appear to this committee to have a prior claim on any surplus designated by the company.
>
> The committee accordingly recommends that the benefits arising from the allocation of this surplus should be separate from and prior to the cost of living adjustments referred to in paragraph 4.

• (2110)

Now may I try to put that, if I can, into plain language, or at least into language which is plain to me? What we have said is that we think Canadian National pensions should be escalated on an annual basis as is the case with public service pensions. But, we added, before this is done, before the annual escalation arrangement is started, there is an annual amount of $7 million which should be used to bring up the low pensions of those who have been retired for many years.

The company may say that it raised the $25 pensioners to $50 a month. But how can one expect anyone to regard $50 a month as a pension on which one can get along at all nowadays? I suggest it bears no relation to what we feel should be done with that $7 million. Therefore, I believe I am expressing the view of the committee when I say that though we are grateful for what was done, not enough was done and we think the Canadian National should review the whole matter.

I have done most of my talking in this whole area about the need to place this escalation on an annual basis. But I also believe that this question of the proper use of that $7 million a year for the benefit of those whose pensions are in the lowest categories needs to be reviewed, and I should have thought that what we asked for needs to be implemented to the full.

These are the views I have in respect to the CNR pensioners already retired. When we talk about pensioners already retired, as far as the announcement of last year is concerned the only people who got any benefit from it were those who retired not later than December 31, 1969. With regard to any who have retired since and are on fixed pensions, they have received no increases. I do not think this is good enough. Of course, if the business before us had to do with the Canadian Pacific I would probably be holding up what the Canadian National had done as an example and saying that the Canadian Pacific had really given its pensioners a lousy deal. That is terribly true. But though it can be argued that the CN arrangement is better than that handed out by the CP, I suggest that the Canadian National arrangement is not good enough for all time. It may have been good enough for the year in which it was announced, but it does not measure up to what was asked for in the report we tabled in October, 1970.

I want to emphasize the importance of this matter and I hope the committee will go at it seriously and with a sense of responsibility. Canadian National pensioners were heartened by the increase a year ago. They have been heartened by the fact that two of their number, one an employee and the other a management type, are now on the pension board. I urge that this sense of progress not be frustrated by nothing further being done. The Minister of Transport said last year that these other matters could be left to collective bargaining. That is not the way to treat persons who have already retired on pensions. It is important that we provide for our Canadian National retired employees at least the same kind of treatment as is provided for retired public servants, retired Members of Parliament and others.

The other area to which I should like to address myself is the question of improving the Canadian National pension plan for those still in the service of the company. Here again, I speak as strongly as I can. When one gets into these pension matters the complications and involvements are many and one can soon get lost in them. But I will stick to one point. I think the time has come when the factor for computing all pensions by the Canadian

National should be set at 2 per cent. Not many years ago the plan was so complicated that some service was computed on the basis of 1 per cent, some at 1¼ per cent and some at 1½ per cent.

Over the past decade things have improved until the over-all factor is now 1½ per cent. In other words, a CN worker trying to work out what his pension will be has to multiply the number of years of service by 1½ per cent, and that total percentage is applied to what might roughly be called his average earnings in his five best years. By the way, in order to get this 1½ per cent factor the employees had to accept an increase in the amount they pay toward the plan. First it was 5½ per cent, then it was 6 per cent and finally it was raised to 6½ per cent. Of course, this is modified to the extent the plan is related to the Canada pension plan. I will not go into that, now; I mention it only so that no hon. member will think I am not aware of this aspect. I point out that again this is grossly unfair. Public servants get a pension based on 2 per cent per year of service. A public servant who works 35 years gets a pension of 70 per cent of his salary in the five or six best years of his service. But a CNR employee will get only 52½ per cent of his salary during his best five years.

In the case of Members of Parliament, we did a little better for ourselves. Our plan provides 3½ per cent for the first ten years, 3 per cent for the next ten years and 2 per cent for the last five years. So we can reach a full pension of 75 per cent in 25 years. A Canadian National employee cannot do that: he cannot work enough to reach that level.

Mr. Cullen: You have been here that long?

Mr. Baldwin: He asks if you have been here that long.

Mr. Knowles (Winnipeg North Centre): I am just getting started.

Mr. Turner (Ottawa-Carleton): Take a good look at this place. Jed: I want you to remember it.

Mr. Baldwin: I will have a better view from over there next time.

Mr. Knowles (Winnipeg North Centre): I enjoy listening to this chit-chat. I don't know how much of it is getting on the record, but that doesn't matter.

Mr. Turner (Ottawa-Carleton): We are listening.

Mr. Knowles (Winnipeg North Centre): To me, or to each other?

Mr. Turner (Ottawa-Carleton): To both.

Mr. Knowles (Winnipeg North Centre): Well, I thought that if I mentioned the MP's plan I would get attention. I did so in order to make a comparison. By what standard of fairness can we say that in our own case we should have the benefit of these higher factors, 3½ per cent and so on, that in the public service the factor should be 2 per cent, and deny these levels to others? How can we say to CNR employees, "The most you can get is 1½ per cent for each year of service"?

I shall place another argument before the House in this connection. It is one which has come into the picture only recently. I have here a copy of the pension rules for Air Canada dated September 30, 1967, but also, thanks to Air Canada officials, a copy of a statement issued by the management of that company's pension and retirement program from which I learn that on November 1, 1971, a number of changes were made in the Air Canada pension plan, the most significant of these being an increase in this basic factor about which I have been speaking. The result is that as far as Air Canada pensioners are concerned, service is now computed on a 2 per cent basis.

I would remind you, Mr. Speaker, that from a technical point of view the CNR owns Air Canada—in the name, it is true, of the people of Canada, but nevertheless that is the technical set-up. So here we have the CNR owning Air Canada, and Air Canada providing its employees with pensions at the rate of 2 per cent for each year of service, while the CNR itself provides pensions for its own employees on the basis of only 1½ per cent. I do not see how this can be allowed to continue. I know someone will want to tell me that Air Canada's change was made only recently, and that is correct; it was made effective November 1, 1971. Around this place one does not get overly excited at a delay of a few months. Only when things go on for 10, 20 years does one get excited about delay.

• (2120)

However, I do plead that if just about every other group coming under the aegis of the federal government has a pension arrangement that is based on a 2 per cent factor, then it is a case of gross discrimination and is, indeed, a gross insult to Canadian National employees to say that their pensions must continue to be based on a factor of 1½ per cent.

I could go into some of the other details and the combinations that exist between age and years of service. Indeed, I could go into many of the improvements that need to be made in the Canadian National pension plan. I could speak favourably about some of the arrangements for early retirement, though I think they could be greatly improved. But I believe it is the part of wisdom to stick to this one issue which I think is terribly important, namely, that the basis for computing all pensions for those now in the service of Canadian National should be raised from the present 1½ per cent to 2 per cent.

So as I said at the outset, I have spoken about two main areas of Canadian National pensions. I am concerned for the well-being of those who are now retired; I am also concerned for the future well-being of those now in service. We can do something really worth while for those who are now retired if we put the escalation of their pensions on an annual basis and if we carry out the recommendation I referred to earlier, namely, seeing to it that those in the lowest pension categories have their pensions brought up to current levels even before we talk about their escalation. For those in service who have their pensions to look forward to, we can do something worth while if we introduce into their pension plan the 2 per cent factor, which is the factor used by Air Canada and by the public service and is pretty generally used by a great many pension plans.

I say again that I was one of those who was happy on February 5, 1971, to welcome the changes that were then

made. As all of us said on that occasion—and I think we had the right to say it—one of the reasons that those changes came about was that the committee had pushed very hard for them. The committee had made a unanimous report and that report received unanimous endorsation on the floor of this House.

Therefore, I ask that the members of this House again speak clearly on this issue. The way to do that, of course, is for the committee to consider these matters, have the Canadian National officials before it and bring back a report to this House. When that report comes back, I hope it will call clearly and categorically for an annual escalation of the pensions of those who are retired, and for increasing the basic factor in calculating pensions for those who are still in service to 2 per cent, as I have suggested. If we do these things, the committee will have done a good job, and it is a job we must do.

Mr. Jack Cullen (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, it was not my intention to participate in this debate, but something has come to a head which I think should be mentioned in this forum. This is why I have risen to say a few words.

Mr. Baldwin: A great many speeches are made under that heading.

Mr. Cullen: I hope this will be another great one. However, when one follows the hon. member for Winnipeg North Centre (Mr. Knowles), particularly on the subject of pensions, about the only thing one has left to say is "Me, too". Because he does a tremendous amount of research work and the points he makes are so well made and presented, I know he will have the support of the House. At least, if the hon. member for Winnipeg North Centre keeps them honest as far as pensions are concerned, then the hon. member for London East (Mr. Turner) keeps them honest as far as their work operation is concerned.

I should like to start on a happy note by dealing with Air Canada, followed by what I hope is a hopeful note in regard to the CNR, and then make a very quick conclusion. For four years I have been travelling almost exclusively with Air Canada, and being an incurable voyageur I would have to say that the stewardesses of Air Canada are perhaps the most gorgeous, pleasant and efficient group of stewardesses that I am happy to have had serve me. I hope that, with that comment, all stewardesses will read my remarks and will give me an extra lump of sugar in my coffee next time I travel with that airline.

More seriously, I should like to deal with the circuitous route that we make Canadian National and Canadian Pacific travel when they apply to abandon a service which actually they have no intention of abandoning in order to qualify for a government subsidy. I refer to an application to abandon a passenger service which has as its only aim to secure a subsidy from the government because the particular line is not paying. In most instances, when the CNR makes application to abandon a passenger route the people in the immediate community are up in arms and wonder why the action is being taken. This means that the public relations image of Canadian National—or it may be Canadian Pacific—takes a complete nose-dive.

[Mr. Knowles (Winnipeg North Centre).]

I believe there are between 35 to 50 applications for abandonment now before the Canadian Transport Commission. In many of these instances, as I say, the railway company in question has no intention of abandoning a stretch of line but has to follow this circuitous route in order to secure a government subsidy. I am sure a minor change to a regulation or section of the act would eliminate this procedure. Not only would the railway company benefit as a result, but they might find that instead of antagonism from the municipalities they hope to serve, those municipalities would assist them.

Let me give an example. In my area we have excellent bus and air services. It is a short distance by road from Sarnia to Toronto and this means the CNR faces a tremendous amount of competition. If CNR simply applied for a subsidy, the citizens of Sarnia might be prepared to assist the company. However, when they apply to abandon a stretch of line, it does raise the hackles not only of the chamber of commerce but of everybody else in the community. As I say, a minor change to a regulation or to the act might eliminate this, to the benefit of the railway company and the communities affected.

Railways are obliged to maintain their services even if they are run at a loss. The managerial decision that must be made is how much loss the railway can afford and still carry on the service on which it is losing money. Where a railway can make a good case for abandonment, I think a second look should be taken at the property rights and privileges granted the company when the line was built in the first place. If the railway company had to surrender a valuable piece of property fronting a river or a lake, then it might take a long, second look at any application to abandon a passenger service before proceeding further.

I also think there is a role to be played by both CN and CP working together, as is the case with CN-CP Telecommunications. I think there is a role to be played in the passenger transportation field where they are not competing with each other but complementing the services provided. I am not going to usurp the role of management, Mr. Speaker, but this is an area they have to look at. Another area is the trans-Canada trains that come to Montreal and Halifax. The same train seems to come all the way across the country and if it has difficulty in the western provinces with weather, a person in central Canada could be left waiting five or ten hours or even a day. I believe that some thought should be given to what might be called a shotgun approach so that if this kind of problem occurred it could be overcome by running several trains and the people would not have to wait for service.

• (2130)

An hon. Member: Those storms start in the east.

Mr. Cullen: Well, they can't start out west, Mr. Speaker, with all the hot air we have on the other side of the House.

These comments are made in a constructive way and in the interests of improving passenger service. I hope the government and the powers that be will have a long look at the section which requires railways to go through this circuitous route if they are simply looking for a subsidy.

I should like to make one more pitch, Mr. Speaker. Some thought should be given to providing free passes on passenger trains for senior citizens. The trains have enough room. I recognize that there are almost two million senior citizens in Canada, but I think they could be phased in. Try it with people 75 years of age and over first and find out what the passenger load is, and then work it down. This is the sort of service that a national railway, particularly a Crown corporation railway, should be prepared to offer to our senior citizens.

Mr. Walter C. Carter (St. John's West): Mr. Speaker, like my colleagues from the Atlantic region, I am unable to allow this bill to pass without saying a few words about the transportation policy in our region, especially in the province of Newfoundland which I represent.

As my colleague from St. John's East has pointed out, Canadian National has most certainly failed in its obligations to the Newfoundland people. I am referring, of course, to the decision made in 1968 and supported and approved by an order of the Canadian Transport Commission which allowed Canadian National Railways to discontinue its rail passenger service in our province. This has been an unpopular decision. I think I might say that as long as Canadian National and the federal government insist on forcing upon the people of Newfoundland a grossly inadequate bus service, members from our province will object to the passing of the Canadian National Railways and Air Canada financing bill. And rightly so, Mr. Speaker, because we are reflecting the feelings of the vast majority of people in our province.

Newfoundlanders will not accept the second-class transportation system that has been imposed upon them by Canadian National with, as I say, approval of the CTC. Over the past three years the bus service has proven to be inadequate, unsafe and a very inferior type of ground transportation. This decision is all the more difficult to accept when one remembers that just a few months ago the Canadian Transport Commission refused permission to Canadian National Railways and the Canadian Pacific Railway to discontinue rail passenger service in the Maritimes area. As my colleague from St. John's East pointed out, that service will cost the Canadian taxpayer approximately $12 million a year by way of subsidy, or $1 million a month.

The basis upon which permission to discontinue rail passenger service in Newfoundland was granted was mainly that it was costing too much money to operate and losses were too great. Mr. Speaker, the loss incurred by the rail passenger service in Newfoundland came to less than $1 million a year—less than one-twelfth what it will cost the government to maintain the service in the Maritimes region. I do not want to give the impression that I oppose the CTC decision with respect to the maritime provinces, but I believe that part of Canada is as entitled to a modern, up to date rail passenger service as any other part of Canada. However, it makes it seem worse because we in Newfoundland have to tolerate a grossly inferior, unsafe and unsatisfactory transportation system.

The arguments advanced by the CTC with regard to the application of CPR and CNR to discontinue the Maritimes rail passenger service could be advanced for the reinstatement of the rail passenger service in Newfoundland. My colleagues and I have petitioned the Canadian Transport Commission to reopen the case and to allow us to appear before it to advance an argument for reinstatement. Scarcely a day goes by that an editorial or article does not appear in one of the Newfoundland papers dealing with the inadequacy of the so-called road cruiser service. We find that in the past three years there have been more than 40 accidents, some of them very serious. Buses have actually been blown off the highway.

Mr. Lundrigan: I rise on a point of order, Mr. Speaker.

The Acting Speaker (Mr. Laniel): Order, please. The hon. member for Gander-Twillingate (Mr. Lundrigan) on a point of order.

Mr. Lundrigan: Mr. Speaker, the hon. member for St. John's West (Mr. Carter) has either deliberately or otherwise misled the House, because there have been over 50 accidents with the Canadian National bus system. I think the record should reflect the fact that there have been 52. I want to challenge that statistic and I hope the hon. member will correct his remark in this regard.

Mr. Carter: Mr. Speaker, I apologize but I have not been in contact with Newfoundland for the past four or five hours! I appreciate the hon. member correcting me on the number of accidents because this is very important. If it were not so serious it would be laughable to read of buses being lost in a snowstorm with 30 or 40 passengers on board and of buses being blown off the highway.

Early in the winter I had occasion to drive over the trans-Canada highway through part of my riding. I noticed a CNR bus off the side of the road which had just been blown off by a very severe storm. Then I had quite an interesting experience during the recent air controllers' strike. My wife and I had to get back to Ottawa, and the only way to travel was by road cruiser as far as Port aux Basques, then across on the ferry service and then by train to Ottawa. I must say that the bus trip was quite an experience.

The Canadian National have the nicest, the most shiny, most beautiful water-cooler of any bus in Canada. There was only one problem—no water. They have a shiny, chrome-plated dispenser for cups—a credit to them—but no cups. In the toilet there was a lovely, porcelain sink but no water and no plug. This Mr. Speaker is the type of service we are expected to tolerate in our province, a service which would not be tolerated, I submit, in any other province of Canada.

• (2140)

As I say, so long as this land is represented in this House, and so long as Canadian National insists on imposing on the Newfoundland people this secondary and inferior service, Newfoundland members will have to rise in their place to oppose and object to the services and the passing of the Canadian National and Air Canada financing bill. There are a number of problems I could raise in respect of the Canadian National and its operations in our province, but first let me say an argument will be advanced by Canadian National and by others, such as engineers and editorial writers, that in Newfoundland the

only satisfactory answer would be to have a wide-gauge railway service provided in the province.

Engineers say that with a narrow-gauge railway it is almost impossible to run a smooth and efficient rail passenger service. I cannot think of any better way for the Department of Regional Economic Expansion to put its money where its mouth is, as it were, than to provide perhaps a wide-gauge railway service for the province. This is essential for the future development of our province: it is essential in so far as the movement of people is concerned. As a matter of fact, when I think back to 1948 or 1949 when the Terms of Union were being negotiated between Canada and Newfoundland, I sometimes wonder why the Fathers of Confederation, the people charged with responsibility for drafting the terms, did not insist that this be one of the terms of union—that is, that a wide-gauge railway be provided in our province. Certainly, if it is needed now it was needed at that time. This is one thing I believe the people who negotiated the terms will have to answer for in years to come.

Canadian National, as I say, has failed in its obligation to the Newfoundland people. I feel the recent increase in freight rates has already been reflected in an increased cost of living. St. John's, the city I represent with my colleague from St. John's East, has probably the highest cost of living in Canada. It is continuing to rise. I think 4.6 per cent was the figure for last year. Of course, the increase in freight rates will most certainly be reflected in the cost of living index for St. John's.

Then we have the matter of ferry rates. The only line between Newfoundland and the Canadian mainland, unless one travels by air, is by the Port aux Basques-North Sydney ferry service. I contend that this 100 miles of water separating our province from the mainland of Canada should be treated like any other 100-mile stretch of the Trans-Canada highway. I see no reason why people travelling to and from our province should be penalized because Newfoundland is an island. I feel the rates on that ferry should be reduced to a point where they would compare with any 100-mile stretch of the trans-Canada highway. A man, his wife and perhaps three children travelling across the gulf would pay almost $40 for that 100-mile stretch, whereas to travel the same distance on the trans-Canada highway would cost $15.50, or less than $20.

I believe that in Newfoundland, Canadian National is failing in its obligation to the people in that it has not given serious consideration to the potential of the Canadian National dockyard operation in St. John's. St. John's has been referred to by people as the service station of the Atlantic. I feel Canadian National has ignored the potential of the harbour and its facilities, to the detriment of people working at the CN dockyard and to the economy of the city generally. As a matter of fact, its policy in respect of its dockyard operation in St. John's is a very miserly one. If there is a slack period of a month or two or three weeks because ships are not coming in, rather than trying to place the employees in other jobs within its operation the company lays off these men. I feel this is very unfair. I think if the CN were to give more thought to its planning, these lay-offs could be avoided.

[Mr. Carter.]

Therefore, I would strongly suggest that Canadian National undertake immediately a study of the potential of its dockyard operation in the harbour. I am quite confident that once such a study was completed a need would be shown for upgrading of the docking facilities in St. John's harbour, to the advantage of the people who work for Canadian National and to the economy of the city generally.

I could speak further on the failings of Canadian National in the Atlantic region and especially in Newfoundland, but I think I have made my point, especially in respect of rail passenger service, the inadequacy of the road cruiser or bus service and the fact that our people are subjected to a grossly inferior, inadequate and unsafe service.

I would strongly recommend and urge the government, the Minister of Transport (Mr. Jamieson) and the chairman of the Canadian Transport Commission to pay heed to the submission made in February, at which time we requested an opportunity to meet with the commission and, hopefully, have reopened the case for rail passenger service in our province. I believe that if they are prepared to listen to what we have to say, bearing in mind that we reflect the views and thoughts of the vast majority of Newfoundlanders, something will be done. Certainly, something must be done because I do not think our people, any more than the people in any other Canadian province, deserve to tolerate this type of ground transportation service.

Mr. Charles Turner (London East): Mr. Speaker, once again Parliament has been called to its yearly exercise of rubbert-stamping expenditures of the Canadian National Railways and Air Canada for the coming year. Most of this money has already been spent, and it is of deep concern to me that regardless of the amount of money we pour into the hands of these companies we as Members of Parliament are constantly being told of the poor passenger and freight service that CNR and, quite often, Air Canada are providing.

The National Transportation Act of 1967 comes from the Royal Commission on Transportation known as the MacPherson commission. The preamble of the act reads:

—an economic efficient and adequate transportation system making the best use of all available modes of transportation.

The principle of subsidization for any service that is uneconomical but is required in the public interest is embodied in the legislation. Politicians past and present have, so far as I can find out, assumed that the CTC and the railways were talking of passenger service only. Mr. T. W. G. Macdougal, executive vice-president of the CNR, in a speech to the Canadian Railway Club said:

—at last we are making sense out of the railway passenger business and may, in the near future, begin to make similar progress toward rationalization of the grain gathering and distribution system which is so important to the Canadian economy.

• (2150)

If the same pattern is used in the grain industry that has been used in the passenger service we can well imagine that, in the words of the Prime Minister (Mr. Trudeau), "somebody is going to get hurt". In trying to understand and to make sense out of the practices of the CNR, we

consulted the American Everyday Dictionary, the Consolidated Webster Encyclopedia Dictionary and, finally, Colliers Standard Dictionary, international edition, where it says:

The act of bringing an industry into accord with up to date methods of organization and operation—

Even then one must stretch one's imagination to come to grips with the term "rationalization." The CNR has apparently applied this interpretation only in the business sense. The reasoning here was verified by an official appearing on television and saying that they are not really interested in cattle transportation as it is a marginal business, and by an official of the CTC saying that the Canadian railways are much better off because of permissive legislation allowing the railways to diversify, and that in Canada they would never have eliminated 50 per cent of passenger business in one sweep as has happened in the U.S.A.

It would appear that the CNR is diversifying its assets if more profit can be made in some other area. This policy can have no other effect but to force more and more trucks on our highways that are already overloaded. The truth of this can be seen in the poor service provided to cattle shippers this past fall and winter. What has happened here is already a well established and recognizable practice of the downgrading of service until those involved seek other modes of transportation.

If the government is happy with the present operation of the CNR and the CTC, and if we are satisfied with their interpretation of the legislation, then many Canadians are sure that the management should be congratulated because we are sure that according to their ideas they are doing a first-rate job. If you are not, I would suggest that as a first step toward rectifying the situation we put more common sense railway men on the CTC and indicate to that body the kind of railway service which the people of this country want and deserve.

In my opinion, transportation in Canada, especially passenger service, is badly planned. It is provided by many companies on an ad hoc basis, and the general idea is that the public, who in all cases are called upon to pay the bills, are not considered in any way. For example, train 154 arrives at London from Sarnia at 12.45 p.m., and 146 from Windsor at 13.35, so if you are coming from Windsor and wish to go to Stratford or Kitchener you have lost your train connection when you arrive in London. You have two choices, either to remain in London until 20.05 at night or go to Toronto and come back by the other route. For many years these trains met in London, but today the CNR has made changes so that the connections are no longer possible.

I have attempted to show the members of this House some of the results of the short-sighted policies followed by the CNR. Successive federal governments have paid lip service to the need for a rational transportation system in Canada. By "rational" they meant a system in which the basic transportation needs of the population in each region would be supplied by whatever mode of transport was most efficient and economical.

The MacPherson royal commission was supposed to recommend the rationalization of Canada's competing and overlapping transportation service. The new transportation act of 1967 was supposed to have enacted policies to reach that objective, and the new Canadian Transport Commission was given a mandate to implement these policies. What do we find today? Our transportation system is in a worse mess than it ever was. How the CTC can pay lip service to rationalization and ignore the need for transportation between Montreal and Ottawa is more than we can understand. One can drive or travel by bus over the worst, most dangerous stretch of the trans-Canada highway, go by rail, by CN, CP or by air: there is no doubt that the fastest, most efficient, most economical and safe method of transportation is fast, up to date rail service.

The more one examines the federal government, the CNR and CPR transportation policies, the more confusing they appear. All the various agencies are pulling at cross-purposes, each launching contradictory projects that have nothing in common except that they all cost the taxpayers millions of dollars. On the one hand we have the CNR, a Crown corporation, systematically trying to scuttle its passenger service with the encouragement of the CTC, and while the CTC is permitting the railways to kill their passenger trains another government branch is paying half the cost of producing a high-speed rail passenger coach.

Meanwhile, the Department of Transport is not satisfied that travel service between Ottawa and Montreal is sufficiently diversified, so the department has extended more subsidies to the Air Industries Association of Canada to provide another mode of transportation between the two cities, that is, the short-landing and take-off aircraft scheduled for operation in 1973. This money would be better spent in upgrading the rail service in Canada.

Canadian citizens who in all cases are called upon to pay the shot find very confusing the continuing insistence that the CNR is in business to provide a service. Not one politician is happy with the CNR and only the CTC and the top officers of the CNR seem satisfied.

The basic idea of the founders of this great country was to unite the east and west and all parts of the expanding country with a rail line for the purpose of transporting people and goods across this nation. Therefore, we can assume that their idea was to create a service industry, and this is the only type of product the CNR has to sell. The CNR was created by the federal government of the day by taking over a group of bankrupt railways. Was the basic idea of the merger to run a railway for a profit or break-even point, or was it to provide a service to the people of Canada? I believe that the provision of service is the answer. Today the CNR has a group of academics and even specialists, and their new ideas are causing undue problems with the employees and shippers across this nation.

Although there are undoubtedly many good recommendations in the MacPherson report, many Canadians consider that the basic philosophy of the report is wrong, that to embrace the free enterprise system and the pursuit of profit to cure the ills is wrong. The CNR came into being for a different reason and should be required to provide service at a reasonable cost. The interpretation of this could be either that all service must perform at a profit or that service should be provided at a reasonable cost to the

taxpayer if necessary. To require the railway to operate on profit alone is to set them apart from all other industry engaged in transportation, such as the trucking industry, air lines, bus transportation and ships. Perhaps the permissive legislation allowing the railway to diversify is wrong if the policy of the CNR is designed to have the company use some other forms of transportation owned by the CNR.

All tax money comes from the same pocket and many people either recognize or ignore this fact. Therefore, we the people of this nation are entitled to and require a modern, up to date railway service for both passengers and freight in addition to other forms of transportation. There is plenty of room for all modes of service and there is no reason why all services cannot be tied into a modern system using the railways as the key link.

I find it refreshing that one of our cabinet ministers has finally come to view the CTC as a rubber-stamp for the railways. The Minister of Finance (Mr. Turner) recently said—

The Acting Speaker (Mr. Laniel): Order, please. I regret to interrupt the hon. member—

Mr. Turner (Ottawa-Carleton): Finish that quotation.

The Acting Speaker (Mr. Laniel): I would not want to take it that the House wishes to go beyond ten o'clock on the recommendation of one hon. member or a few hon. members. However, if the House wants the Chair not to see the clock for a few seconds, I am ready to do so.

Some hon. Members: Agreed.

• (2200)

Mr. Turner (London East):

For that reason he said he would like to see the "public interest" lawyers represent the people—the traveller, the radio listener, the TV viewer, the consumer, at agency hearings of all kinds. The "public interest" lawyer's job would be to appear before an agency and make sure that the views of ordinary citizens who would be affected by its decisions were fully presented.

"Let's take a situation where one of the railways goes before the Canadian Transport Commission to ask for an increase in fares," Mr. Turner said. "At present the railway makes its pitch. Its competitors appear along with the air lines, maybe truckers, certainly boards of trade, sometimes different cities and so on. But surely there ought to be evidence submitted by some one representing the travelling public, the people who pay the shot."

I agree 100 per cent with the minister, Mr. Speaker, and I sincerely believe that he is on the right track. New servo-centres have been established in many key cities in Canada serving large areas of shippers, and after talking to many employees I find that in their opinion this service is not as good as the old system. Stationmasters, station agents and assistants are no longer employed, and thus passengers and freight shippers are robbed of the personal touch.

Service agents and their staff lived in the communities and therefore had a constant dialogue with the shippers. Today this service has been replaced by salesman and their assistants working out of the servo-centre offices. Many employees tell me that the CNR has lost contact with the customers because this new service is not providing the personal touch which for many years was the key to obtaining business.

Recently a cattle shipper was informed that his cattle shipment would be in the London yard at such a time. Naturally he drove to London to pick up his stock, but due to the fact that the freight service does not run daily to his area, the stock was routed via Stratford and therefore it was waiting for him in Stratford instead of London. This caused the shipper undue delay and extra driving costs. It is my understanding that the company is reassessing its position on servo-centres at St. Catharines, Kitchener and Windsor. If this is true, Mr. Speaker, one would think that perhaps the new system is not doing the job it was set up to do.

I now turn to the question of the morale of the employees of the CNR. In some areas during the past few months the management has begun to do something about the situation and is having a little meaningful dialogue with various groups of workers. Recently meetings were held on the subject of company discipline. Some of the discipline recently handed out by officials has been rather severe. They take the rule book and state that the person involved violated such and such a rule. They do not take into consideration today's length of trains, new triple valves, new brake-shoes and the general idea that no two trains handle alike. Today, Mr. Speaker, a crew can have a short, heavy tonnage train and next trip have a long train with less tonnage.

Many of these officials who are handing out discipline have never had the experience of running a train and therefore do not know what the men are up against. Mr. Speaker, it is one thing to read it out of a book and tell a man how to do his job, but it is a different thing if that same man cannot sit down and show you how to do the job. The employees of the CNR once were a proud group of employees. They were a quite happy group who enjoyed going to work and were sorry to see retirement date appear. Today most employees can hardly wait for retirement date; they are not the same group of happy employees.

I now refer to the pensions of CNR employees and of former employees. About a year ago one change was made and pensioners who were then retired received an increase in their pensions covering the years they had been retired. To me this was very good, but why we did not tie in a 2 per cent increase every year as long as they live is beyond my comprehension. Retired public servants get their 2 per cent increase yearly, and I contend that the pensions of retired CNR and CPR employees, and of the employees of all railways, should be escalated and increased on an annual basis in the same way as the pensions of retired public service employees. The CNR is a Crown corporation and CNR employees are not inferior to civil servants and should be treated in the same way as civil servants.

I believe that employees of the CNR and CPR are entitled to a new deal as far as pensions are concerned. Today, when an employee does not receive sufficient pension on retirement he must seek other employment to provide the additional money required or he must provide a bank account to assist him until the benefits of the Canada Pension Plan and Old Age Security program are

available to him. It would, therefore, be appropriate if the federal government and, industry, in conjunction with Canadian National pensions and the Canada Pension Plan, were to provide the means and funds for increased pensions so that older employees could take advantage of early retirement. We should do that instead of paying unemployment insurance benefits to the less fortunate; thereby we should be increasing job opportunities for younger graduates coming into the labour force who have found it increasingly difficult to find suitable employment.

It would appear that the CNR management is of the opinion that if the full increase in pension benefits as requested were granted to employees, or if a compulsory retirement age of 60 were provided, the result would be that a large segment of senior supervisory staff would be removed. These supervisors are not irreplaceable. Mr. Speaker, this is a hot issue with the CNR, no doubt it is with the CPR as well as with all railway companies. Employees are requesting that pension benefits be based on 2 per cent of salary per year of service and that the age be reduced to 60. If this cannot be accomplished at once, they should be given a complete financial statement as to the types of investment the pension fund has made. As of December, 1970, the reserve in CNR pension trust funds amounted to $1,160,488,477. There are no moneys out on loan, but investments are made in bonds, mortgages, stocks and short-term investments.

Of the total reserve, only $818,203,051 is represented by investments, cash and accounts receivable. The remainder, $342,283,426 is an unfunded liability, or a bill which the company has to pay. About $299,732,674 is being amortized over a 60-year period and $42,550,752 over a 25-year period, in accordance with the Pension Benefits Standards Act which was passed by the federal Parliament, effective as of October 1, 1967. Mr. Speaker, all Canadians would like a deal like this giving them 60 years and 25 years to pay their debts. Net earnings on investments during 1970 were $23,984,003.

The CNR pension fund supplies each employee with a T-5 slip which states the amount of money he has contributed for the year. For many years during the war they were supplied with nothing. For a time we also received a slip stating the total amount accumulated on our pension account. This has not been done lately. Thousands of employees are pouring money each year into a pension fund and they receive very little information as to the type of investment the money is invested in. Surely the employees are entitled to an annual statement giving them more information than they now receive. If the fund will not generate enough money to lower the pension age to 60, they should be advised of the percentage increase in contributions that would be needed to make the necessary change.

The employees of the CNR, CPR and of all railway companies are patient people who are willing to listen to facts and figures produced by the pensions board. However, if they are not supplied with the necessary information soon on the lowering of the pension age I predict that we will see serious trouble in the railways of this nation. No single issue has grown in importance more rapidly during the past year than that of pensions, largely because of lay-offs and the faster introduction of technological change. All trade unions and their members are making pensions the single, most important issue in collective bargaining.

When a machine is worn out, Mr. Speaker, we replace it with a new one. The workers of all companies in Canada are entitled to a decent pension at an earlier age. They should not be thrown out of work without adequate pensions that are tied to the cost of living. I urge the railways and all industries to update their pension plans and meet the personal needs of employees and retired employees in a fast changing society.

• (2210)

PROCEEDINGS ON ADJOURNMENT MOTION

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

TRADE—DISCUSSION WITH COMMONWEALTH CARIBBEAN COUNTRIES ON SUGAR TARIFF REBATE

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, on February 25 I asked the Secretary of State for External Affairs (Mr. Sharp) a question concerning the tariff rebate on Commonwealth Caribbean sugar, and I was somewhat surprised at his answer. It was to the effect that the rebate extended to December 31, 1971, had not been cut off at that date. It was my impression that such was not the case and that the rebate had lapsed.

As I have often said before, Mr. Speaker, the abrupt, unilateral termination of this rebate was one of the most regrettable blunders in our dealings with the governments of the Commonwealth Caribbean. The most excellent report of the Standing Committee on Foreign Affairs of the Senate of Canada also referred to this matter. Page XVI of the foreword to their report states:

> Serious misunderstandings have recently arisen, due in part to the manner in which decisions were unilaterally arrived at.

We recall, too, that the government leader of the Senate made a long, good will tour of the Caribbean area. This was followed by the government's change of heart with the announcement that the rebate which was to terminate on December 31, 1970, would continue until December 31, 1971. This announcement made front-page headlines in the press of the Caribbean countries of the Commonwealth. But prior to that there were comments in the Caribbean press which were far from complimentary to Canada. As the Trinidad *Guardian* editorialized on December 24, 1970:

> It is no use pretending that relations between Canada and the West Indies have not been soured this year by the harsh realities which came to the fore.

Here in Canada, the *Globe and Mail* said:

> Sometimes those closest to us are the ones we understand least. The rule applies to nations as well as individuals.
>
> The cancellation was made at a stroke, without any consultation with the governments involved. It showed a clear lack of under-

standing of the feelings of those nations with whom we are supposed to have a special relationship.

It also noted:

We also buy twice as much sugar from South Africa as we do from all the Caribbean countries.

I can say that this question of heavier purchases from South Africa than from other areas might some day be discussed in the House. But my concern is not to belabor the blunders of the past. Rather must we try to avoid such errors in the future. I am somewhat concerned about the degree of consultation. I wonder if we are not a bit short on consultation but long on confusion. Of course, in some areas of the Caribbean the facts of domestic production make the rebate question somewhat academic, but in other areas it is far from academic. It matters and matters greatly. I hope the parliamentary secretary can bring the House up to date on what is happening. What is contemplated and what is the nature and extent of consultation and discussion?

The Commonwealth Caribbean is an area of great importance to us. Our ties have been close and can and should be closer. We must not through carelessness or casualness fracture a longstanding friendship which has of late been somewhat shaken. These neighbours with parliamentary institutions similar to ours deserve a high priority in our foreign policy consideration. We must not take their friendship for granted. We must be ever alert to opportunities to broaden the base of amity and good will. I express the hope that the blunder of 1970 will not be repeated in 1972 and that we will not through halfhearted lack of negotiation have to send my very good friend, dear old Senator Martin, down to the Caribbean to exculpate the blunders of a most insensitive government, as we did two years ago.

Mr. Paul St. Pierre (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I hope that I can assure the hon. member for Hillsborough (Mr. Macquarrie) that the value of our friendships in the Caribbean with our fellow Commonwealth members and with others is fully appreciated. I will just briefly review the history of this matter.

As the Secretary of State for External Affairs (Mr. Sharp) told the House on Friday, February 25, which the hon. member mentioned, that the government has not entered into any discussions concerning a possible extension of tariff rebates on Commonwealth Caribbean sugar. The hon. member will recall that the government decided to terminate the sugar rebates paid to sugar producing countries of the Commonwealth Caribbean at the end of 1969, following the successful negotiation of an international sugar agreement. As a result of representations from the region, an extension of the rebates was agreed for 1970 in order to provide the industry with a longer period to adjust to the new circumstances. An additional extension of one year was made following lengthy consultations which Senator the Hon. Paul Martin had with Commonwealth Caribbean governments during his special mission to the region in late 1970.

Announcing the latest extension in December, 1970, the Secretary of State for External Affairs stated that it was for the year 1971 and that the situation would be reviewed

when the government had considered the report of the tariff board on sugar which it was anticipated would be available early in 1971. This report was received by the government last autumn and was tabled in the House on November 10. The recommendations in that report are under consideration by the government and I can assure hon. members that the views of all those who might be affected by its recommendations, including the governments of the Commonwealth Caribbean, will be carefully considered before decisions are taken on the report.

As far as payments of these rebates are concerned, the amount is based on sugar imports from the Commonwealth Caribbean during the calendar year. At present, final figures for 1971 are not yet available; when they are, the payment for 1971 will be made. The payments for 1970 were made in March, 1971.

HEALTH—PROPOSED PAYMENT BY GOVERNMENT OF HOSPITAL AND MEDICAL CARE PREMIUMS FOR ALL INDIANS

Mr. John Burton (Regina East): Mr. Speaker, on February 28 I addressed the following question to the Prime Minister (Mr. Trudeau) in the absence of the Minister of National Health and Welfare (Mr. Munro) who was unavoidably away from the House:

Is the government considering the problems created as a result of differences in the way hospital and medical care premiums are paid on behalf of the Indian people in various provinces, and is the government considering taking steps to pay the health taxes on behalf of all Indians as is the case in Alberta?

The Prime Minister was so interested in my question that I had to repeat it for his benefit and when he finally came to attention and took note of it he said he would take notice of the question on behalf of the minister. Later, I sent a note to the Minister of National Health and Welfare drawing his attention to the fact that I had asked this question and that I intended to place it on the list of subjects to be discussed at the time of the adjournment, and he thanked me for that note. I would like to discuss this question tonight.

I believe it is recognized by all that the federal government has responsibility for providing health care for the Indian people. What is the situation with respect to the payment of premiums, and of medicare premiums in particular? In 1969, Alberta introduced a medical care insurance plan. As I understand it, the federal government registered all Indians residing in Alberta and paid personal health tax on their behalf. Included were all Indians whose names appeared on band lists regardless of whether they resided on an Indian reserve or not. The federal government has continued to pay the health tax in Alberta on behalf of all Indians as defined in the Indian Act whether they reside on or off a reserve. I understand there is some provision for reimbursement from Indian people who are considered to be self-supporting. How this arrangement is working, I do not know.

What is the situation in other provinces such as the neighbouring province of Saskatchewan? The federal government does not pay the hospitalization or medical care tax on behalf of Indians residing outside an Indian reserve though it makes such payments in respect of

Indians residing on a reserve or who have been outside a reserve for less than 12 months.

Two questions arise. The first is this: How can the federal government justify handling this program in such a way in one province and in another way in another province? This is especially so with respect to health programs where standards and quality of service or care are given such high importance.

• (2220)

How the government got into such a mess only the minister can explain, and he will have to do so. Can the minister expect any respect for his programs when the government does this sort of thing? There will be justifiable friction and irritation with the provinces, for one thing. Can the minister expect the Indian people to have any respect for his programs, or for the government, when this is what is being done? In such a delicate area that also involves federal-provincial relations, how does the minister justify treating one province differently from another as a matter of policy?

The second question is: What is the justification for treating off-reserve Indians differently from on-reserve Indians or, for that matter, some self-supporting Indians compared with non self-supporting Indians? Does not the federal government have a responsibility here which it accepted under treaties and through various programs over the years? I think the question must be asked: Is this the first step in a process whereby the government is trying to back out of its commitments and programs?

I think present policy discriminates against those Indians who want to join the urban trek to the cities. It discriminates against Indians who try to help themselves by adjusting to changing conditions. Often enough, people complain of Indians not showing sufficient ambition or initiative. What incentive is there for a person of Indian descent to help himself, if this is the approach that is taken by government in the handling of programs that affect him?

I urge the government to treat Indians in all provinces in the same way. I urge the government to accept its responsibility in this area and to pay premiums for all Indians under the Indian Act regardless whether they are on or off the reserve.

Mr. David Weatherhead (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, while there is no statutory or binding authority obligating the federal government to provide free health care to Indians at public expense, the federal government has accepted the moral obligation for more than 100 years of ensuring that no registered Indian suffers from lack of medical attention, either due to inability to pay or inaccessibility to adequate care, particularly if there is no other agency to which he can turn for assistance.

Indians should have the opportunity to achieve standards of health which are comparable to those of the rest of the country, and the federal government has maintained a policy of being willing to assist them through the arrangement for, or the provision of, basic public health services and essential treatment, not necessarily always at public expense.

Prior to the implementation of the two major national health insurance programs—hospital insurance in 1958 and medicare in 1968—there were many Canadians who could not purchase hospital insurance or medical insurance or, at best, could only obtain limited coverage or had to pay an unfairly high premium. It will be recalled that the private insurance industry in that era frequently denied health insurance coverage to Canadians on account of age or previous health, and in some cases, regrettably, even because of racial origin, such as Indians.

Consequently, in both of these Canadian health programs, one of the requirements which each corresponding provincial plan has had to meet in order to receive federal financial support is that the provincial plan had to make available uniform coverage to all eligible residents of the province, including registered Indians. This means in effect that a provincial plan cannot charge a particular group of residents a higher premium or give them less coverage than other residents in similar circumstances.

It is not considered to be a violation of the "uniform terms and conditions" concept when a province waives all or part of a health insurance premium on account of age or limited financial resources of the beneficiary, provided that all residents of the province who meet these requirements are treated equally. Where a province wishes to waive health insurance premiums for its residents who have reached the age of 65, for example, this is permitted as long as all residents of the province are entitled to the same privilege on reaching that age. In point of fact, this is the case in Alberta and Ontario—

Mr. Burton: And in Saskatchewan. Come on, get up to date.

Mr. Weatherhead: —and in both of these provinces the premium for Indians on reaching 65 has been waived as for the other residents.

In a similar way, when a province establishes an intermediate scale of health insurance premiums based on income class, this is permitted under the "uniform terms and conditions" requirement of federal legislation as long as all insurable residents of the province receive the same consideration. Thus, in Ontario, British Columbia and Alberta, which are three provinces with scaled premium subsidies for those residents with limited incomes, the registered Indian who is a resident of one of these provinces receives exactly the same consideration as any other resident of his province on applying for premium assistance.

The Acting Speaker (Mr. Laniel): Order, please. I regret that I must interrupt the hon. parliamentary secretary but the time allotted for his reply has expired.

INDIAN AFFAIRS—DEATH OF SANDY LAKE WOMAN FROM MALNUTRITION—REQUEST FOR STATEMENT ON HEALTH SERVICES IN NORTHERN ONTARIO OR PUBLIC INQUIRY

Mr. Derek Blackburn (Brant): Mr. Speaker, on Thursday last I asked the Minister of Health and Welfare (Mr. Munro) if he was aware of the tragic plight of Indians on the Sandy Hill reserve, 400 miles north of Kenora. The

minister mentioned a few improvements in the situation but did not answer my question on whether he would agree to initiate a public inquiry into the deplorable condition of health services in the area.

A 50-year old Cree woman died on February 24 en route to hospital by plane. Cause of death was officially given as malnutrition and double pneumonia. I maintain that the true cause of her death was bureaucratic neglect and ineptitude.

This woman was 5 feet 8½ inches tall, but at the time of her death she weighed only 85 pounds. The circumstances of her death are a source of great bitterness to others in her community. She had spent ten years in a sanitorium where she was treated for tuberculosis and had part of one lung removed. Her medical history clearly indicated the need for close medical supervision during illness, but she was prevented from getting that attention either in her own community at North Spirit Lake or in a hospital until it was too late. This woman lay ill—severely ill—for several days without medical attention. Proper medication was not available, and so she was given two aspirins by a local, lay dispenser. Twenty-four hours later she was dead.

Fifteen hundred treaty Indians live in three communities on the Sandy Hill Reserve. Two of these communities had only lay dispensers; the third had a nursing staff, all employed by the Department of Health and Welfare. The closest doctor is 300 miles away. Details of the woman's illness had to filter through the lay dispenser to the nurses, and through the nurses to the doctor who was the only person with authority to have the woman sent to a hospital. The procedure took a week, and the woman died.

The coroner's jury made five recommendations: home visits by medical personnel should replace radio contact; all personnel performing medical duties in remote settlements should have nurses aid training; medical personnel in remote communities should be permitted to authorize flights of patients for treatment; additional nurses should be stationed in each isolated community; and, finally, a medical practitioner should be stationed in the Sandy Lake area to treat the 1,500 inhabitants.

To further illustrate the need for better medical services in such areas, let me mention that an influenza epidemic afflicted 350 people in the area from mid-December to mid-January. Nine people died. During the whole period of the epidemic, I am told, the Indians at North Spirit Lake received only one visit from a doctor, and he stayed for only two hours. Field workers from the Ontario Union of Indians had 27 people flown to Red Lake hospital. All were admitted, at a cost to the Union of $2,000. I am told that the bill will be sent to the Minister of Health.

The Indians of the Sandy Hill Reserve have several questions to ask of the Minister of Health. They want to know if the minister intends to implement the recommendations in the coroner's report. They want to know why lay dispensers in their area are white instead of Indian. And they want to know why lay dispensers are permitted to administer antibiotic and narcotic drugs to Indians who have not been seen by doctors.

The minister has told the House that steps are being taken to improve Indian health services. Would the minister agree to tell the House what these steps are, so that the House and the Canadian people can judge the extent of the government's commitment to improving the life of our native people?

[Mr. Blackburn.]

On behalf of these people I must urge that the minister not wait until starvation and disease put an end to the problems of the Sandy Hill Indians and Indians in other remote communities, but that he launch a full public inquiry into health services in the north.

• (2230)

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): Medical and public health services in the bush country north of Sioux Lookout have been greatly expanded in the past few years through an extensive program made possible by co-operation between the Department of National Health and Welfare and the University of Toronto which deploys medical consultants, physicians and residents making available the highest possible standards of care. Improved communications have been developed between nursing stations which have been built by the department in the larger communities and the base hospital at Sioux Lookout, and between nursing stations and health stations in the small satellite communities which are staffed by community health aides who work on a part-time basis. The department has an active program for training community health aides, and some of the individuals doing this work are qualified as registered nurses or licensed practical nurses. The community health aide on duty at North Spirit Lake was qualified as a licensed practical nurse.

No medical service, however sophisticated, can prevent deaths during epidemics of influenza. Influenza is an acute infectious disease due to a virus for which there is no known specific treatment. Of importance is the rapidity with which epidemics evolve, placing heavy demands on health personnel who must adapt their activities to render assistance to the greatest number and to those who in their opinion need care the most.

It is the minister's view that the recommendation of the coroner's jury at Sandy Lake to the effect that medical authorities should give consideration to requests for home visits is difficult to reconcile with the facts of the case because the patient's death was being investigated and is being investigated. The patient was visited frequently at home along with many others in the community. The home visits at North Spirit Lake were made by a community health aide who is a licensed practical nurse, and also by a registered nurse who responded to the community health aide's request for assistance. Unfortunately, it is not always possible to predict which persons suffering from influenza will develop complications. The large number of persons who become ill not only increases the problems of surveillance but makes routine evacuation to hospital or to a nursing station impossible.

Complications, however, can be serious, develop suddenly and as a rule require care in hospital. The subject of the coroner's inquest was to be flown to hospital December 23, 1971, the same day her condition suddenly deteriorated as a result of a new complication, but the weather prevented this. Evacuation, unfortunately, was not possible until the next day. The existing procedures for chart-

ering aircraft are regarded as satisfactory. They are, of course, subject to the availability of aircraft and to the weather.

I understand that the minister has received a full report on the inquest and the matter of the provision of medical services from the hon. member for Kenora-Rainy River (Mr. Reid) in whose riding Sandy Lake is located. I understand he attended the inquest and prepared a long memorandum on the matter for the Minister of National Health and Welfare (Mr. Munro).

Motion agreed to and the House adjourned at 10.35 p.m.

HOUSE OF COMMONS

Tuesday, March 7, 1972

The House met at 2 p.m.

ROUTINE PROCEEDINGS

YOUTH

REPORT ON OPPORTUNITIES FOR YOUTH PROGRAM—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. David MacDonald (Egmont): Mr. Speaker, in view of a report published yesterday which seriously challenged the ability of last year's or this year's government youth programs to deal effectively with the basic problems of youth unemployment, in view of the discrimination with which the evaluation charged those programs, and in view of the high figure of unemployment among those under the age of 24, reaching 11 per cent last year, I ask leave to move, seconded by the hon. member for Gander-Twillingate (Mr. Lundrigan), the following motion under the provisions of Standing Order 43:

1. This House request the Secretary of State to table the Cohen Report on Summer '71 forthwith.

2. Refer the evaluation of Summer '71 to a Standing Committee.

3. The Secretary of State maintain his undertaking to call a broadly-based federal-provincial community conference on youth programming.

4. Direct the Secretary of State to call a meeting of provincial ministers and members of the business community so that a meaningful program of long range youth employment initiatives might be put into force at the earliest possible date.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agree.

Some hon. Members: No.

Mr. Speaker: The motion cannot be put.

* * *

• (1410)

SUPPLEMENTARY ESTIMATES (B), 1971-72

A message from His Excellency the Governor General transmitting Supplementary Estimates (B) for the financial year ending March 31, 1972, was presented by Hon. C. M. Drury (President of the Treasury Board) and read by Mr. Speaker to the House.

REFERENCE TO STANDING COMMITTEE ON MISCELLANEOUS ESTIMATES

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I move, seconded by the Minister of Veterans Affairs (Mr. Laing):

That the Supplementary Estimates (B), 1971-72, tabled this day, be referred to the Standing Committee on Miscellaneous Estimates.

Motion agreed to.

* * *

INFORMATION CANADA

TABLING OF FIRST ANNUAL REPORT

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, under Standing Order 41(2) I wish to table the first annual report of Information Canada.

Some hon. Members: Oh, oh!

An hon. Member: In what language? Sanskrit?

* * *

YOUTH

OPPORTUNITIES FOR YOUTH PROGRAM—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I wish to move, pursuant to Standing Order 43, a motion on a matter of urgency. One of the difficulties last year with the Opportunities for Youth program was the lack of consideration given to young citizens in rural and remote areas of Canada who are denied equality of opportunity because of their isolation from normal communication.

Mr. Speaker: Order, please.

Mr. Marshall: Mr. Speaker, there is—

Mr. Speaker: Order, please. I must interrupt the hon. member. I apologize to him for doing so, but he knows that the rule is well established that remarks made in connection with motions under Standing Order 43 ought to be limited to a brief indication of the urgency of the matter rather than argument. It seems to me that in the explanation the hon. member is now giving he is presenting argument rather than an indication of the urgency of the matter. We all know how sensitive an area Standing Order 43 can be, and I hope there will be co-operation on the part of all hon. members to try to keep in mind the suggestions I have made to hon. members from time to time, based on my interpretation of Standing Order 43.

Opportunities for Youth

Mr. Marshall: Mr. Speaker, since there is evidence of a repetition of this weakness this year and a resulting effect on the initiative and morale of young Canadians, I would move, seconded by the hon. member for Vegreville (Mr. Mazankowski):

That the deadline date for submitting projects be extended and that co-ordinators be directed to extend every effort to ensure the opportunity to participate of all Canadians regardless of where they live.

Mr. Speaker: Is there unanimous consent for the motion proposed by the hon. member?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

GRAIN

MOVEMENT AND HANDLING PROBLEMS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. John Burton (Regina East): Mr. Speaker, I want to move a motion under Standing Order 43 on a question of urgent and pressing necessity. Substantial export grain commitments have to be met and terminals in Vancouver are now 17 million bushels short of grades of grain required. The railways have not met their commitments in grain movement. Actually, the railways are placing grain movement at the bottom of their priority list. Canadian National has refused to divert grain over the PGE railway when their own lines have been blocked. Also, car unloadings are low and men at the terminals have been paid off in recent days.

Mr. Speaker: Order, please. I suggest to the hon. member that this is a clear abuse of Standing Order 43.

Some hon. Members: Hear, hear!

Mr. Speaker: No doubt the hon. member will say that the facts to which he has referred are important if he is to make his case for a motion under Standing Order 43. On that basis I am sure any member could get up and make a five-minute speech in justification of a motion under Standing Order 43. I remind hon. members that this is a very special Standing Order and that some day hon. members might be faced with a situation in which the government will want to use Standing Order 43. I am anxious to see what will be the reaction of hon. members at that time. I would think hon. members would want to keep in mind the very, very special nature of Standing Order 43 and try to limit their presentation to the urgency aspect of the motion without arguing in support of the motion.

Mr. Burton: Mr. Speaker, I apologize if I went beyond the limits prescribed by the rule. It was because of the urgency and the difficulties involved that I did so. I ask leave, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles), to move:

[Mr. Speaker.]

That the matter of slowdowns and bottlenecks in grain movement and handling be referred to the Standing Committee on Agriculture for study and report thereon.

Mr. Speaker: The motion proposed by the hon. member for Regina East under Standing Order 43 requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity and the motion cannot be put.

* * *

• (1420)

[*Translation*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

AMENDMENT TO CHANGE NAME OF CONSTITUENCY

Mr. Claude-G. Lajoie (Trois-Rivières) moved for leave to introduce Bill C-167, respecting the Electoral Boundaries Readjustment Act.

Some hon. Members: Explain.

Mr. Speaker: The hon. member for Trois-Rivières can briefly explain the object of the bill which he wishes to introduce.

Mr. Lajoie: Mr. Speaker, this bill is brought in firstly, at the request of my constituents in three cities; secondly, in order to avoid confusion between the names of the provincial and federal constituencies; and thirdly, at the provincial level, the constituency does not include the city of Cap-de-la-Madeleine which has 32,500 inhabitants.

Mr. Speaker: Does the House allow the hon. member to introduce the said bill?

Some hon. Members: Agreed.

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

[*English*]

ORAL QUESTION PERIOD

THE CANADIAN ECONOMY

RESPONSE TO RECOMMENDATIONS BY CANADIAN LABOUR CONGRESS—ACCEPTANCE OF SUGGESTED FULL EMPLOYMENT BUDGETING

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I have a question for the Prime Minister. In view of the fact the Canadian Labour Congress has presented its annual memorandum to the right hon. gentleman and in view of the fact he has had it for several days and has studied it, I wonder whether he could indicate briefly his

response to their recommendations as they pertain to employment and the economy?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I could not do that briefly. The Minister of Finance and the Minister of Labour yesterday spoke together for about 15 minutes on this point, and I am sure that if the hon. member would ask somebody for notes he might get these answers.

Mr. Lundrigan: Mr. Speaker, I had assumed that the Prime Minister received the brief. I should like to ask him specifically whether he accepts the principle of full employment budgeting, which was one of the recommendations of the Canadian Labour Congress, and, more specifically, whether the government is prepared now to introduce any new programs which would have the effect of stimulating the economy in a direction to achieve that particular principle?

Mr. Trudeau: Mr. Speaker, the first question is rather a technical one that I really could not deal with very shortly in an answer to a question. The Minister of Finance certainly could at some time explain why we do not apply this concept. It might be of interest to the member to know that our budget has the equivalent effect of a full employment budget in a sense—

Some hon. Members: Oh, oh!

Mr. Trudeau: —but I realize from the guffaws that the matter is very little understood by the opposition parties.

An hon. Member: By the unemployed too.

Mr. Lundrigan: Mr. Speaker, in view of the fact that the right hon. gentleman has indicated that his government has moved on the assumption of full employment budgeting, can he indicate briefly what prediction he has for the achievement of that goal in view of the indication that the unemployment picture will remain very serious during 1972? Can he indicate whether that will be achieved over a five-year period or a two-year period? What general parameters can he indicate to the Canadian people?

Mr. Trudeau: The hon. member should understand that the so-called device known as full employment budgeting does not guarantee that there will be full employment. It offers to governments and administrations a series of choices of levels at which expenditures and taxes can be equated. There are very many options possible, and it is impossible to answer that question at this time.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is directed to the Prime Minister. Was it under instruction of the government that the Minister of Finance about two weeks ago at Jasper advised the provincial finance ministers that the government's view was that the fight against inflation must be balanced with control of unemployment, that this point has now been reached and that the provinces were therefore to curtail any expansionary budget expenditures?

Mr. Speaker: Order, please. The Prime Minister may wish to reply to the question but this should be done briefly. It seems to me we are now getting into the field of debate, but I will allow the Prime Minister to reply to the hon. member for Edmonton West.

Mr. Trudeau: Mr. Speaker, I cannot really reply in the terms in which the question was asked which simplify the position of the Minister of Finance to a considerable degree. But I do wish to say that of course the government is concerned, at the same time as it is concerned about full employment, with the possible inflationary effects in the future of the wrong kind of budgeting. I believe this danger is present in the minds of even some members of the opposition who asked us recently about the dangers of inflation.

Mr. Speaker: The Chair will recognize a last supplementary question from the hon. member for St. John's East and then recognize the hon. member for York South.

POLICIES TO ACHIEVE UNEMPLOYMENT TARGET RECOMMENDED BY ECONOMIC COUNCIL

Mr. James A. McGrath (St. John's East): Does the Prime Minister accept the target and the definition of the Economic Council of Canada which describes full employment as being 3.8 per cent, and does the government intend to pursue policies which will achieve this level of employment by 1975 as recommended by the Economic Council of Canada?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, any level of unemployment is unfortunate for the percentage of people who are unemployed and therefore there is no reason why I would accept a target of 3.8 per cent. If we could go lower we would prefer it. In fact, just a couple of years ago there was less than 3.8 per cent unemployment in some parts of Canada and more in other parts. Therefore I cannot accept this target. What we want to do is to achieve the lowest possible rate of unemployment consistent with stable growth.

* * *

MANPOWER

ALLEGED APPOINTMENT OF LIBERAL PARTY OFFICIAL TO CARRY OUT STUDY IN WEST GERMANY

Mr. David Lewis (York South): Mr. Speaker, in the unfortunate absence of the Minister of Manpower and Immigration I should like to direct a question, or perhaps more than one, to the Prime Minister, of which I gave him notice. I should like to ask the Prime Minister whether the government has appointed J. P. Lefebvre, executive director of the Liberal party of Canada in Quebec and former member of the Quebec legislature to carry out a manpower policy study or some similar study in West Germany.

Hon. Martin P. O'Connell (Acting Minister of Manpower and Immigration): Mr. Speaker, I am Acting Minister of Manpower and Immigration today. I want to thank the hon. member for giving notice of his question which has now been passed on to me. I have asked that an inquiry be made into the matter and I will get a report on it for the hon. member.

Mr. Lewis: Without in any sense trying to belittle the Acting Minister of Manpower and Immigration, may I ask the Prime Minister as well as the minister in question to look into the matter of the appointment of Mr. Lefebvre and whether he still holds the position of Liberal party executive director in Quebec?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. May we have order. The hon. member for York South has the floor. Perhaps he might be given a chance to ask his supplementary question.

Mr. Lewis: Thank you, Mr. Speaker. I do not intend to compete with the noise across the way and I can stand and wait until hon. members are quiet.

Some hon. Members: Oh, oh!

An hon. Member: Come on, now.

Mr. Lewis: I should like to ask the Prime Minister and the minister this question. If Mr. Lefebvre is no longer executive director, when did that position end? Also, does the contract with him provide that he is to receive a salary of $600 a week as well as travelling and per diem allowances and the cost of secretarial services in addition to the salary, and exactly when was the appointment made?

Mr. Speaker: Order, please. I am sure the hon. member will recognize that the first part of his question as to whether someone is a member of a political organization is hardly a question that can be asked of a minister. In any event, I am sure the second part of the question is in order, and the minister might be allowed to reply to that part of the inquiry if he has the information.

• (1430)

Mr. O'Connell: Mr. Speaker, I am sure the hon. gentleman, like all of us, is interested in the facts of the situation. I am going to ascertain those facts and make a report.

Mr. Lewis: On a point of order, Mr. Speaker, I appreciated that a question about holding a certain party position could not be directed to the Acting Minister of Manpower and Immigration. That is precisely why I directed my question to the Prime Minister as well as to the acting minister. It seems to me the Prime Minister has the authority to make the appointment and should inform the House whether this is another example of his new politics.

Mr. Speaker: The hon. member rose on a point of order. I disagree entirely with his interpretation of the Standing Orders so far as his point of order is concerned.

[Mr. O'Connell.]

[*Translation*]

UNEMPLOYMENT INSURANCE

DELAY IN PAYMENT OF BENEFITS—CORRECTIVE MEASURES

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

Since the situation is becoming increasingly worse because a great number of unemployed must wait five, six or even ten weeks, especially in Quebec, before drawing their first cheque of unemployment insurance benefits, can the Prime Minister tell us whether his government intends to improve those conditions in the very near future?

[*English*]

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, I am answering for the Unemployment Insurance Commission today.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Perrault: If there are cases of what is alleged to be an inordinate delay these will be investigated immediately, as the hon. member is aware. Mr. Speaker, I would point out that there has been a dramatic decline in the number of complaints about delayed payments in the last two weeks.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

[*Translation*]

DELAY IN PAYMENT OF BENEFITS—POSSIBLE DECENTRALIZATION OF SERVICES FROM MONTREAL

Mr. Beaudoin: I should like to put a supplementary question, Mr. Speaker.

Since these difficulties have been experienced only after payment services were centralized mainly in Montreal, could the Parliamentary Secretary say whether the government is planning to decentralize the offices of the Unemployment Insurance Commission?

[*English*]

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, there are now 200 centres in Canada, either main offices or service offices, to attend to the unemployment needs of the Canadian people. In addition, the resources of 400 manpower offices are being investigated to make sure that every possible service is extended to the unemployed of this country.

Mr. Baldwin: That is because there are so many unemployed.

Mr. Speaker: Order, please. I have glanced round the House and noticed that there are exactly 13 members who are rising to ask supplementaries. I am not sure whether that number is lucky, but we certainly cannot spend too much time on supplementaries. I will try to be fair by

having a sampling of hon. members on supplementaries and then go to the next questioner.

[*Translation*]

MONTREAL—DELAY IN PAYMENT OF BENEFITS—REQUEST FOR INQUIRY

Mr. André Fortin (Lotbinière): Mr. Speaker, I should like to put a question to the Parliamentary Secretary who has just answered my colleague.

Since all cases of delay in the payment of benefits which have been submitted to hon. members have been forwarded, at the minister's request, to the regional office, as well as to the central office in Montreal, and since after several weeks, these cases have not yet been settled, in spite of what the minister has said, is the latter prepared to order immediately that an investigation be held regarding the operation of the Commission's electronic computers in Montreal so that cheques can be issued and people can stop living on fresh air only, thanks to appropriate resources?

[*English*]

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, I can assure hon. members that there is a continuing study taking place into methods whereby the most modern electronic techniques may be introduced to improve unemployment insurance services further. There are a number of specific studies under way, and if improvements can be made they will be made.

DELAY IN PAYMENT OF BENEFITS—ACTION TO PREVENT LOAN-SHARK OPERATIONS

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I wish to ask a supplementary question. I should like to refer to a question to the parliamentary secretary by another hon. member, as recorded on page 262 of *Hansard* for February 25:

> Is the department aware of loan-sharking operations, the lending of money against unemployment insurance cheques, resulting from the delays in payment and, if so, what action is the commission taking to prevent this occurrence?

Has the parliamentary secretary any further answer today?

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, I want to assure the hon. member that this is a source of great concern to the minister and to the department. Our UIC general legal counsel has contacted the small loans division of the Department of Insurance and they are prepared to carry out an inspection of the books of some of the people who advertised in the Calgary and Winnipeg press. I assure members that an investigation is being carried out to determine whether the practices being followed by the so-called loan sharks infringe the law. If such is the case, I can assure hon. members that if possible appropriate measures will be taken. This is not a practice that is welcomed by the government or the department.

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to put a question—

Mr. Speaker: Order. Does the hon. member for Joliette wish to put a supplementary question?

Mr. La Salle: This is not a supplementary, Mr. Speaker.

[*English*]

Mr. Speaker: Order, please. The Chair will recognize on a last supplementary the hon. member for Témiscamingue.

[*Translation*]

DELAY IN PAYMENT OF BENEFITS—POSSIBLE DECENTRALIZATION OF SERVICES FROM MONTREAL

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I would like to put a supplementary question to the parliamentary secretary to the minister who says that there are 200 centralized offices across Canada.

We would like to know whether the department intends to decentralize?

In my own area, for instance, that is 400 miles from Montreal, they always answer that the Montreal computer is out of order and the people have not received any benefits since October.

Does the department intend to decentralize in order that an area like ours, for instance, may have an office.

[*English*]

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, there has been a 50 per cent increase in the number of unemployment insurance offices since 1970. If the hon. member can develop a persuasive case for the extension of unemployment insurance services in his area, it will be looked at.

Mr. Speaker: Order, please. This debate is now ended and the Chair will recognize the hon. member for Kent-Essex.

* * *

TRADE

CANADA-UNITED STATES—REASON FOR DELAY IN RESUMING TALKS ON AUTO PACT

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, I should like to direct a question to the Minister of Industry, Trade and Commerce. Can he indicate whether the delay in the trade talks between the United States and Canada on the auto pact will last until a definite agreement is reached on the value of the Canadian dollar compared with the U.S. dollar and, if not, what is the other basic reason for the present delay?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I cannot give reasons why the Americans are not yet ready to open formal discussions with us on this matter. I can only say it does not appear to be related to the factors mentioned by the hon. member,

nor to the presentation of a foreign investment policy by the Canadian government. It seems to be in an area of its own not related to other factors.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I wish to direct a supplementary question to the minister. Can he inform the House why the government has decided to wait until after the next election before it signs a new agreement on auto trade with the United States?

Mr. Speaker: Order, please. That is argument and not a procedurally legitimate question.

* * *

FISHERIES

SWORDFISH—SUGGESTED LICENSING OF SELECTIVE FISHING OPERATIONS TO DETERMINE MERCURY LEVEL

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct a question to the Minister of Fisheries. In view of the collapse early in 1971 of the North American market for swordfish, which has caused financial hardship for our swordfish fishermen, has the minister given any consideration to licensing selective swordfishing operations in any areas of Atlantic Canada in order to determine whether there has been any decline in mercury levels and, if so, when can we expect an up to date report on this important aspect of our fisheries?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, the basic problem arises with the United States food and drug administration requirement that no fish be imported into that country with more than half of one part per million of mercury in it. We can export swordfish to Europe with impunity, but the price is not attractive there.

Mr. Crouse: Mr. Speaker, I wish to ask just one supplementary question. In view of the fact swordfish are still being landed in some of the New England markets, has the minister taken any steps to secure the lifting of the ban on swordfish sales to the United States?

Mr. Davis: Mr. Speaker, swordfish being landed in the United States do not enter into interstate trade. Since we face national standards rather than state standards we have difficulty selling our swordfish in the U.S.A.

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PUBLIC SERVICE

REQUEST FOR INFORMATION ON RECOMMENDATIONS RESPECTING STAFF RELATIONS ACT AND TABLING OF BRYDEN REPORT

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I have a question for the minister in charge of the Public Service Staff Relations Act. In view of the apparent leaks of the contents of the Bryden report submitted to the then Minister of Manpower and Immigration last June, leaks which I contend do not correspond to the substance of the report, would the minister inform the House about the recommendations made by the task force in order to dispel the suspicion that the Treasury Board and, more specifically, its President are using the ignorance of the public with respect to the contents of the recommendations in order to put the public service unions under pressure in the current disputes?

[Mr. Pepin.]

• (1440)

Mr. Speaker: Order, please. This appears to be an argument, but the minister might be allowed to reply briefly to the question asked by the hon. member.

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I shall answer the question if only to introduce myself as the minister responsible for this particular phase of government operations. All I want to tell the hon. member is that the report to which she refers is in my hands at the moment and is under study.

Mrs. MacInnis: Would the President of the Privy Council agree to table the Bryden report in its entirety so that the public, the unions involved and their membership will be finally informed about the government's intentions in respect of amending the Public Service Staff Relations Act?

Mr. MacEachen: Mr. Speaker, first of all I want to tell the House that it is not my intention to table this document because it is an internal document for the advice of the government and that is why it will not be tabled. I should also like to mention that the reports I have read in the newspapers about this report are highly speculative and, finally, that there is no intention to have legislative action on this report at this session.

Mr. Speaker: The hon. member for Joliette.

Mrs. MacInnis: May I ask a final supplementary of the President of the Treasury Board?

Mr. Speaker: Order, please. The hon. member will be allowed a last supplementary on this subject.

NEGOTIATIONS WITH UNIONS—ASSURANCE THAT RIGHT TO STRIKE NOT BEING THREATENED

Mrs. Grace MacInnis (Vancouver-Kingsway): I should like to ask the President of the Treasury Board whether he can assure the House, solemnly or otherwise, that he is not using the threat to rescind the right to strike as a bludgeon in current negotiations with the Public Service unions?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I should like to assure the hon. member, both solemnly and otherwise, that I have never threatened withdrawal of the right to strike.

* * *

[*Translation*]

CRIMINAL CODE

ABORTION—PRIME MINISTER'S POSITION—ESTABLISHMENT OF FAMILY PLANNING POLICY

Mr. Roch La Salle (Joliette): Mr. Speaker, I would like to put a question to the right hon. Prime Minister.

Some ten days ago, in Ontario, the Prime Minister stated that he was not contemplating any change in the legislation on abortion as long as he himself is not convinced of the need for such a move. I would like to ask him if he can assure the House and the Canadian population that no change in that connection will be brought about before the government has put into effect an effective family planning policy.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I had some difficulty understanding the whole question. If I do not answer correctly, the hon. member may wish to ask a supplementary.

Government policy on this subject has already been announced. We intend to have a debate in the House and to hear the views of hon. members. I hope the hon. member will take that opportunity to indicate what his own opinion is.

* * *

[*English*]

THE CANADIAN ECONOMY

FOREIGN INVESTMENT—INTERIM GUIDELINES PENDING STATEMENT OF POLICY

Hon. George Hees (Prince Edward-Hastings): I have a question for the Prime Minister, Mr. Speaker. During the period while the background study is being rewritten and until the government introduces its legislation outlining its policy on foreign investment in Canada, is it the intention of the government to issue guidelines or set out any procedures for regulating the takeover of Canadian companies by foreign interests?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker. The hon. member should feel perfectly free to proceed as he wishes.

Mr. Hees: Is the country to assume that the government intends to continue to deal with each of these cases on an ad hoc basis founded on nothing more substantial than political expediency rather than according to an established policy?

Mr. Speaker: Order, please. That, of course, is obviously argument. The hon. member for Calgary North.

* * *

ADMINISTRATION OF JUSTICE

REPRESENTATIONS FOR NEW TRIAL FOR YVES GEOFFROY—METHOD AND NAME OF PERSON

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to put a question to the Solicitor General. On February 28 I asked the Solicitor General a question which appears on page 302 of *Hansard* and on March 1 I put the question again to his parliamentary secretary, of which he took notice. I wonder if the minister is prepared to give an answer today. I will read part of the answer in order to familiarize the Solicitor General with the situation. His reply was:

Mr. Speaker, someone who claimed to know where Mr. Geoffroy is suggested it to me. My reply was very simple: the laws of the country apply to every citizen. If Mr. Geoffroy wants to ask for a new trial—

The Solicitor General has said that someone approached him. Was that done by telephone, was it done by letter, was it done by personal contact, who was that person and what day was that contact made?

Mr. Basford: You are not in a court room.

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, I find that the hon. member's informer, against whom a warrant for arrest for fraud was issued in 1971 by the Quebec Police Force, has not yet been apprehended.

A reporter, acting as such, called me on the phone. There was no blackmail nor dishonest proposal, and I told the reporter, as I stated in my answer, that the laws of the country applied to all citizens, including Mr. Geoffroy, and that if the latter felt that he was entitled to a new trial, he had to put forth his reasons for so believing, just like any other citizen, directly to the Canadian Minister of Justice.

[*English*]

Mr. Woolliams: Maybe the Solicitor General misunderstood one part of my question. What was the name of that reporter and who did the reporter say he was with at the time he made the telephone call to the Solicitor General?

[*Translation*]

Mr. Goyer: Mr. Speaker, the hon. member's informer against whom a warrant for arrest was issued in 1971, has himself revealed the name of the reporter, and the reporter has confirmed. So, I do not hesitate to say it: it is Mr. Lavergne, who is the editor in chief and a very responsible reporter for Montreal's *Dimanche-Matin.*

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I have a supplementary for the Solicitor General.

Since the hon. minister has just referred twice specifically to an informer of my hon. colleague from Calgary North (Mr. Woolliams), I should like to ask him who are his informers concerning the Geoffroy case, and whether he has others, outside of his department, who could give him information on the Geoffroy case.

Mr. Goyer: Mr. Speaker, it is perhaps the same informer to whom the hon. member resorts when launching false rumours to the effect that—

Mr. Valade: Mr. Speaker, I rise on a question of privilege.

Mr. Speaker: Order. The hon. member for Sainte-Marie on a question of privilege.

Mr. Valade: Mr. Speaker, I rise on a question of privilege.

The Solicitor General has just stated that the informer who allegedly gave information to my colleague was also my informer. I flatly assert that the hon. minister lied to this House when he said that. He must withdraw his

words because the person to whom the Solicitor General referred is not at all my informer.

Mr. Speaker: Order. There is clearly a difficulty between the minister and the hon. member. The hon. member for Sainte-Marie is well aware that he cannot accuse an hon. member or a minister of lying. I am sure the hon. member for Sainte-Marie might like to express himself differently to indicate that he is not in agreement with the minister.

In my opinion, there is clearly conflict as to facts between the hon. minister and the hon. member, a daily occurrence in the House, and I believe there is no necessity, when a minister and an hon. member do not agree as to interpretation of facts, to resort to unparliamentary language.

Mr. Valade: Mr. Speaker, on a question of privilege.

I used the very expression the Solicitor General himself used on television yesterday when he accused opposition members of lying. If the Solicitor General is willing to withdraw the imputation in his statement to the effect that Richer was my informer, I shall withdraw the word, "lied" as you have invited me to.

Mr. Speaker: Order. I agree with the hon. member for Sainte-Marie that the minister—

[*English*]

Order, please. I wonder if hon. members might like to take an interest in what is going on in the House at the present time, if there is an interest in what is going on at the present time.

[*Translation*]

I would suggest to hon. members that certainly no minister or member can credit another member with any intentions and that such was not the wish of the hon. minister. The latter was certainly not entitled to do that any more than the hon. member is entitled to use unparliamentary language. I am prepared to take it that the minister confirms to the House that he would not impute any motives to the hon. member who in turn will confirm that he did not want to use unparliamentary language. Thus both will be considered as having withdrawn their remarks in so far as they are not of a parliamentary nature.

Does the hon. member agree with my interpretation of the Standing Orders?

Mr. Goyer: Mr. Speaker, I agree.

Mr. Valade: I agree for the first time with the Solicitor General, Mr. Speaker.

Mr. Speaker: So everybody is satisfied.

[Mr. Valade.]

• (1450)

[*English*]

NATURAL RESOURCES

OFFSHORE MINERAL RIGHTS—DISCUSSION WITH NOVA SCOTIA PREMIER—POSSIBLE AMENDMENT OF GOVERNMENT PROPOSAL

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Can the minister indicate whether in his conversations in Halifax last week he got into serious discussion with the premier of the province of Nova Scotia of sharing arrangements with regard to both royalties and responsibility for administration and regulatory control in respect of offshore minerals?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Yes, Mr. Speaker. We discussed offshore mineral rights.

Mr. Forrestall: Is the minister prepared to indicate whether during the course of these discussions with the premier and other officials of Nova Scotia a slightly better or a more relaxed position than the 50/50 sharing arrangement that has been publicly suggested to date was discussed?

Mr. Macdonald (Rosedale): Mr. Speaker, the purpose of my visit to that particular city was to hear the premier's viewpoint and I did so. I did not make any offer to him.

* * *

ENERGY

PROPOSED MACKENZIE VALLEY PIPELINE AND JAMES BAY POWER DEVELOPMENT—CANCELLATION IF DAMAGE TO ECOLOGY TOO GREAT

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I have a question for the Prime Minister. In view of recent statements by the Minister of Indian Affairs and Northern Development and the Minister of Energy, Mines and Resources to the effect that a pipeline down the Mackenzie Valley is virtually assured, will the Prime Minister assure the House that such a pipeline will not be allowed to proceed if the potential damage to the ecology is too great?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the government's policy on this has been stated many times. I believe the Minister of the Environment can give the details of the $15 million program in which we are engaged to make sure that this does not happen.

Mr. Harding: Can the Prime Minister give the same assurance with respect to the James Bay project?

Mr. Trudeau: Mr. Speaker, the assurance cannot be the same because the problem is not the same. However, I believe the House was notified a month or so ago that a joint study on the problems of the environment was made by the Quebec government and the federal government. This study was made public, Mr. Speaker.

BUSINESS OF THE HOUSE

SUGGESTED REFERENCE OF PETITION OF OLD CROW INDIANS TO COMMITTEE ON JUSTICE AND LEGAL AFFAIRS

Mr. Eric Nielsen (Yukon): Mr. Speaker, I wish to direct a related question to the government House leader. The petition of the Old Crow Indian people was laid on the table last week. Will the government House leader consider favourably allowing the House to refer this petition by unanimous consent to the Standing Committee on Justice and Legal Affairs?

Hon. Allan J. MacEachen (President of the Privy Council): No, Mr. Speaker.

Mr. Nielsen: Would the government House leader give this matter his earliest consideration and perhaps make an announcement with regard to the government's intentions with respect to hearing the people of Old Crow on their petition?

Mr. MacEachen: Mr. Speaker, I will be happy to give this matter further consideration. However, at the present time it appears to me there are some procedural difficulties with which the House has really not yet dealt in terms of referring petitions to standing committees for study. I will give the matter further consideration.

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AIRPORTS

OPPOSITION TO LOCATION OF NEW FACILITY NEAR PICKERING—REQUEST FOR STATEMENT

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I wish to address my question to the Minister of Transport. Is the minister aware of the very strong and angry opposition to the new airport location at Pickering and the destruction of the very finest of farmland and an historic village? Does the minister propose to make a statement to the House on this matter?

Hon. Donald C. Jamieson (Minister of Transport): No, Mr. Speaker. I do not propose to make any additional statement to the House other than the one I made when announcing the project. However, I might point out to the hon. member and the House that the expropriation proceedings allow for and, in fact, require the appointment of a hearing officer and the lodging of complaints in a formal manner. These are dealt with in the appropriate way. If there are objections, they can be heard at that time.

Mr. O'Connell: Mr. Speaker, I rise on a question of privilege. I have been reading an article in today's March 7 edition of the *Globe and Mail.* It is hard to tell the page number because I only have a photostat. This article draws attention to a LIP program in my constituency. I would like to make an explanation to the House concerning it.

Some hon. Members: Oh, oh!

Inquiries of the Ministry

Mr. Speaker: Order, please. The minister knows the rules. He cannot rise at any time on a question of privilege which has reference to an article in a newspaper. The minister has to give notice to the Chair in the usual way according to the Standing Orders and explain the question of privilege at the opening of the House. That is the standard practice and it should be followed by all hon. members. I should not say "standard practice". It is the practice provided for by the Standing Orders and should be adhered to by all hon. members.

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[*Translation*]

HOUSING

VILLE DE LAVAL—GRANTING OF LOAN FOR PROJECT " "RESIDENCE RICHELIEU"

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I should like to put a question to the Minister of State for Urban Affairs responsible for the Central Mortgage and Housing Corporation.

Can he tell us why his department granted a $950,000 loan for the housing project known as "Residence Richelieu" at Ville de Laval, which may be demolished any moment now because of zoning regulations? Can the minister give us some explanations in this regard?

[*English*]

Hon. Ron Basford (Minister of State for Urban Affairs): I would like to look into that, Mr. Speaker. If the hon. member has any information that would assist me I would appreciate having it.

Mr. Speaker: Perhaps the hon. member and the minister might communicate and consult later.

* * *

EXTERNAL AFFAIRS

DISCUSSIONS WITH UNITED STATES ON FUTURE OF NORAD—POSSIBLE MODIFICATIONS IN DEFENCE-SHARING AGREEMENT

Mr. Doug Rowland (Selkirk): Mr. Speaker, in the absence of the Minister of National Defence and the Secretary of State for External Affairs perhaps the Prime Minister might answer my question. Are discussions planned with the United States for later this year with respect to the future of NORAD, and is the government of Canada giving consideration to attempting to bring about major modifications in our defence-sharing agreement with the United States during those discussions if they are to be held?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I believe this question was covered in our white paper on defence. If my memory is correct, the NORAD agreements only expire in 1974.

An hon. Member: 1973.

Mr. Trudeau: Therefore I assume there will be no meetings in the immediate future. I will consult with the Secre-

tary of State for External Affairs to see about the further future.

* * *

ROYAL CANADIAN MOUNTED POLICE

REQUEST THAT INITIALS BE AS PROMINENTLY DISPLAYED AS WORD "POLICE" IN LIGHT OF PROTESTS AGAINST CHANGE

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I wish to direct a question to the Prime Minister. Having regard to the very numerous representations that have been directed to the Prime Minister, the Solicitor General and, indeed, to many members of parliament objecting most vigorously to the action taken in removing the initials "RCMP" from police buildings and vehicles and replacing them with the word "police", can the Prime Minister assure the House and the country that the initials "RCMP" will be displayed as prominently as the word "police" in the designation of our national police force?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, my understanding of this question is that it had been decided as an administrative matter by the police themselves. I believe their decision was to use the word "police" more prominently in some cases than the letters "RCMP".

Mr. Mazankowski: In view of the widespread protests with regard to the action that has been taken, will the Prime Minister consider using his good offices and influence with a view to having this directive either withdrawn or reversed?

Mr. Trudeau: Mr. Speaker, I will certainly ascertain whether the Solicitor General discussed this matter with the Commissioner of the RCMP. I am rather certain he has discussed it. The RCMP must be aware of the kind of noise that has been made on this subject in the past couple of weeks. If the Commissioner feels the decision is wrong, he will discuss it with the minister. I, personally, do not propose to tell the RCMP that they should make a change on my direction.

• (1500)

REQUEST FOR STATEMENT ON PLANS FOR CENTENNIAL CELEBRATION

Mr. Erik Nielsen (Yukon): Mr. Speaker, may I ask the Solicitor General whether he will take the first available opportunity to make a statement on motions concerning the plans of his department and the RCMP with respect to the celebration of the centenary of that force next year?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, an internal committee is in the process of planning the centennial of the Royal Canadian Mounted Police, an institution, a symbol which belongs to all Canadians regardless of their ethnic origin or their tongue. In that spirit we will surely see to it that this centennial is a happy event in which all Canadians will be invited to participate. In due course, they will be advised of the program.

* * *

[*English*]

YOUTH

OPPORTUNITIES FOR YOUTH—SUGGESTED TABLING OF EVALUATION REPORT ON 1971 PROGRAM

Mr. David MacDonald (Egmont): Mr. Speaker, my question is to the Prime Minister. It follows the commitment he made yesterday to investigate the leaking of the Cohen report relative to the summer youth program last year. The Prime Minister said he would look into this. Bearing in mind the fact that early last September the Secretary of State indicated that Mr. Cohen's report would be tabled by the end of the year, by the end of last year, has the Prime Minister been able to ascertain when we may expect to have this important document, particularly since a little more than 24 hours remain in which applications under the Opportunities for Youth program can be made?

Hon. Martin P. O'Connell (Acting Secretary of State): Perhaps the Prime Minister wishes to answer, but as Acting Secretary of State I believe there is some confusion in the mind of the hon. gentleman. The Secretary of State undertook to table an evaluation of the program, noting that the evaluation involved a number of reports including that which is called the Cohen report. I doubt very much, subject to correction, that he undertook to table the Cohen report.

Mr. MacDonald (Egmont): On a point of order, I am grateful for the information from the Pooh-Bah—

Some hon. Members: Oh, oh!

Mr. MacDonald (Egmont): —from the acting minister of whatever he is acting for. I do not have the record before me, but I checked it before I came into the chamber. On December 9, in response to a question in the House, the Secretary of State indicated that the Cohen report would be published in full by the end of the month, acknowledging that the initial report was but a preliminary document—

Mr. Speaker: Order, please. This discussion between the minister and the hon. member for Egmont could go on for a long time. Perhaps the two hon. members might get together and pursue the matter later. We have reached the end of the question period.

Mr. MacDonald (Egmont): On a supplementary—

Mr. Speaker: Order, please. Is the hon. member rising on a supplementary point of order or to ask a supplementary? The last point of order has taken the last few minutes of the question period and we have to call orders of the day.

Mr. MacDonald (Egmont): On a point of order—

Mr. Gibson: On a question of privilege—

Mr. Speaker: Would the hon. member for Egmont resume his seat? Perhaps the hon. member for Hamilton-Wentworth would allow me to complete the point of order raised by the hon. member for Egmont. I think that in principle there would be priority for a question of privilege, but with his indulgence I will hear the point of order first and then listen to the hon. member's argument in support of his question of privilege.

Mr. MacDonald (Egmont): On a point of order, Mr. Speaker, the Prime Minister indicated yesterday, first to the Leader of the Opposition and later to myself, that he would give some idea when this important document might be published. Could we hear from the Prime Minister or the Acting Secretary of State as to whether in fact this document will be made public?

Mr. O'Connell: I think we shall have to clarify just what the Secretary of State did say in the mind of the hon. gentleman.

An hon. Member: It is on the record.

Mr. Speaker: May we have order? Obviously we are getting into a resumption of the argument between the hon. member and the minister. I suggested a moment ago that an attempt be made to clear up the situation at some other time. It certainly cannot be done on a point of order or by a statement today.

Mr. MacDonald (Egmont): On a question of privilege, if these important proceedings in the House during the question period are to have any value whatever, then surely an undertaking by the Prime Minister in answer to a question raised yesterday must be followed up by some kind of response, either from him or from another minister of the government. So far we have had no answer to this question and I am wondering whether the rights of the House generally are not being infringed by the cavalier approach which the Prime Minister and other members of the administration are taking.

Mr. Speaker: Order please. We are merely continuing the same debate. I shall now listen to the hon. member for Hamilton-Wentworth on his question of privilege.

Mr. Gibson: In view of the irrelevant questions asked by the opposition, I want to ask an emergency question from my riding about damage—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member will appreciate that he cannot, under the guise of a question of privilege, ask a question. I have advised hon. members from day to day that when we have reached the end of the question period they should not seek to direct further questions by raising points of order and questions of privilege. If a very urgent question could not be asked today, I am sorry. I am sure the hon. member for Hamilton-Wentworth was the only one who did not have an opportunity to ask a question. I tried to note those who were not able to ask questions today and I will do my best to give them priority tomorrow. I undertake to recognize the hon. member for Hamilton-Wentworth during the question period tomorrow.

Control of Government Expenditures

Mr. MacDonald (Egmont): I wish to raise a new point of order, Mr. Speaker. I have waited until we have reached the end of the question period. It is well known that, even though it is not officially recognized by the rules of the House, the government has unilaterally imposed a roster system involving the attendance of ministers to deal with questions of the day. This system has never functioned effectively and we find ourselves this afternoon at a point where six ministers listed on this infamous roster are not present to answer questions, leading to the public spectacle of one of the neophyte ministers having to answer for half the government ministers. I would ask you, Mr. Speaker, as the senior officer of this House, to take into consideration the government's deliberate commitment to keep more than half the members of the administration away from this chamber during the important business of the question period each and every day.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

ALLOTTED DAY S.O.58—NON-CONFIDENCE MOTION—ALLEGED MISMANAGEMENT AND WASTE OF TAXPAYERS' MONEY—NEED FOR MORE PARLIAMENTARY CONTROL OF ESTIMATES AND EXPENDITURES

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I move:

That this House condemns the government for its mismanagement and waste of taxpayers' money and urges that parliament take steps to exercise greater scrutiny and control over estimates and expenditures.

He said: May I rise for a few moments on a point of order Mr. Speaker? First, as to the wording of the motion as it appears on the order paper, I should point out that in the third line, the word "urge" appears. It should be "urges". I exonerate the officers of the House, as I did encounter a little difficulty yesterday in putting the motion together. Second, it has been suggested that after the first four speakers have taken part in the debate the time allotted to hon. members should be limited to 15 minutes. I am making this suggestion because it might well be, as a result of the interest in the subject matter, that a large number of members will wish to make contributions.

Mr. MacEachen: I have no objection to there being a time limit of 15 minutes, but I wish to make it clear that the spokesman for the government, whether he is the fourth speaker in the debate or whether he speaks later, will not be limited.

Mr. Baldwin: I understand that. The official spokesman for the government would, of course, be allowed 30 minutes pursuant to the rule.

Mr. Knowles (Winnipeg North Centre): Our understanding of the situation is that the mover will have 30 minutes, the official spokesman for the government will have 30 minutes and the first spokesman for each of the other two

parties will have 20 minutes as provided in the rule, while the remainder of the speakers will have 15 minutes each. We agree to that.

• (1510)

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, we agree but with reservations similar to those voiced by the hon. member for Winnipeg North Centre (Mr. Knowles).

[*English*]

Mr. Speaker: It is agreed and so ordered.

Mr. Baldwin: Mr. Speaker, I am really very sorry to break up this interesting question period but the rules allow me no alternative. May I point out to the House, through you, Mr. Speaker, that it may well be that this subject matter is not as colourful and controversial as some members might like. Nevertheless, it is the view of the members of Her Majesty's loyal opposition that every once in a while during the course of a parliament some effort should be made to come to the aid of the beleaguered taxpayer.

It seems to us that there are an awful lot of taxpayers. To paraphrase what Abraham Lincoln said, the Prime Minister (Mr. Trudeau) must love the taxpayers because he has made so many of them. In any event, this matter is surely of the essence in view of the fact there is no doubt at all that there are a great many responsible people who are concerned about the performance of the economy and that the real problems of unemployment, inflation and economic growth, not only in Canada but in the United States and Europe, are not responding to orthodox remedies.

There is a lack of confidence. There is lack of confidence on the part of the business community in this government. While the government may be temporarily altering its stance, we note that this is only temporary. There is lack of confidence on the part of consumers in this government. They lack the confidence that the government can take the essential steps to place under some control the accelerating cost of living. Finally, there is lack of confidence on the part of the taxpayer that this government has the capacity or the will to check the deadly twin viruses of increasing taxation and inefficient handling of the taxpayers' money. Attempts by the Parliament of Canada at restraint and scrutiny have become a mockery and a farce. There needs to be a new flowering of the strength of parliament to deal with this very serious problem.

Governments more and more seem to be bland, anonymous bureaucrats with the power to command the lives and take the property of people, to tell them what do do and how to do it, and there seems very little hope of getting any change. The end result is inevitable: there is cynicism, frustration, militancy and often confrontation and violence in the streets. People will therefore turn their faces away from government as we know it, from the legislative system and the whole democratic process, and many of them are.

But despite all the warts and defects of the parliamentary system, I suggest all the other methods by which

people contrive to order their affairs are infinitely worse. The neat trick is to take what we have and make it better, make it work, and, like the ideal of justice, make it be seen to be working. The infinite wisdom of the ages lies in all of the people in society, and the problem is to find and use these truths as the basis for the rules under which society operates. People need to know this. They need to know and to believe that the system can be delicately tuned and made responsive to their views; that not only the majority but the minority, even the individual, who has a cause to plead, a wrong to right and a proposal to urge, will be provided with some means by which to do so. This can be the parliamentary structure when it has the freedom and the mechanism to operate. But that is what is lacking today.

The parliamentary system of government should be like the two pans of a scale, evenly balanced between the executive branch on the one side, and the legislative branch on the other side. That is a principle that, I think, is acceptable to all people. But what has happened? There has been a grotesque distortion. There has been poured into the pan on the executive side of the scales more and more weight; on the other side, there has been a taking away from the legislative branch of many of the powers and authorities it requires. In the result, this distortion is very apparent in the limited way that this parliament can check expenditures and scrutinize the estimates of government. I know government needs to have power, strength and the ability to act quickly. But there needs to be, as the Prime Minister himself said, a countervailing force. This is what we lack and it is what this party proposes to do something about.

Recently the Prime Minister, in a speech made to the National Conference on the Law, said something which I regard with great concern. These are his words:

> Perhaps in some instances the adversary system, so revered by lawyers, is a counter-productive element in the political process; for example, in relations between various levels of government.

Further on in his speech the Prime Minister confirmed that view. I question the validity of that assertion. The doctrine of infallibility comes, of course, easily to those who occupy the chairs of state. Such being the case, the only safety lies, in part, in the adversary system, with the ability to press for change, to refine, to restrict or in any way to cope with the bureaucratic despotism, stupidity, inaction, stealth and secrecy which from time to time characterize this administration. The white paper on taxation was changed largely because of the adversary system. When in turn that white paper was translated into a bill, there were important changes made in the bill as a result of pressure exerted by people both outside the House and inside this House. That is the virtue of the adversary system.

That is not all, Mr. Speaker. I could list a number of issues that have benefitted from this system, such as the government reorganization bill, Bill C-176, the grain stabilization bill, and, of course, the infamous bill that this government brought in over a year ago in an attempt to curtail the power and independence of the Auditor General. Because of the adversary system, and because of pressure outside the House and representations made in the House, the government was compelled to withdraw that

bill. Hearing statements of this kind made from the Prime Minister and supported by his colleagues, and noting many of the trends of the government in Ottawa today, it is time for all good men who believe in the parliamentary system to draw together and challenge the government.

Without in any way restricting the list, let me outline some of the more dangerous changes that we see taking place from day to day. There are the fundamental changes in the character of legislation, where today all too often bills are merely enabling acts, vague declarations of principle, with the dry bones being fleshed out by orders in council, decrees and regulations made by the bureaucracy in the secret places of their private offices without the knowledge, consent or advice of parliament. In that regard I urge the government to take steps at once to establish the scrutiny committee that is set up by the statutory instruments act. That committee will form one of the bulwarks against this kind of despotism which we so often encounter in this country.

• (1520)

We must also consider the growth, at an abnormal rate, of this bureaucracy. Their elite have now become the high priests of our society and we build great, shining temples to them throughout the land and worship before the altars in those temples. Then, we must consider, as well, the enlargement of the office and the growth in power of the leader of the government so that, through the bureaucratic machine at his command and by the skilful use of the media, he will always appear larger than life; also, the refusal of government to furnish people with proper and adequate information of the public affairs of the land. Further, we must consider the lack of adequate checks and restraints on public spending.

That old grey mare the Treasury Board has recently unbent enough to put out, during the last two sessions, a shiny new pamphlet called, "How Your Tax Dollar is Spent".

Mr. Dinsdale: She ain't what she used to be.

Mr. Baldwin: On page 9 of this year's copy appears the following statement:

> Rooted in Canadian tradition and through centuries of British history is a basic parliamentary responsibility of granting 'supply', the term applied to the process by which Parliament considers proposed government expenditures—
>
> One of the continuing and basic powers of Parliament is its ultimate control over the public purse.

That, Mr. Speaker is the way it should be.

Mr. Dinsdale: That is the way it used to be.

Mr. Baldwin: But that is not the way it is. That statement is pure and utter bilge.

Mr. Drury: That is the way it is.

Mr. Baldwin: I am not alone in my view. My colleagues share it. If hon. members opposite were free to speak their minds, they would agree with me when I say that the statement I have read does not represent the facts.

Some hon. Members: Oh, oh!

Mr. Baldwin: But they dare not say that.

Mr. Hees: Be careful; big brother is watching.

Mr. Baldwin: Mr. Speaker, may I now quote from a column recently written by that great Canadian columnist, Charles Lynch. He wrote this soon after the latest blue book of estimates was inflicted upon Parliament:

> The unfortunate thing is, however, that while the costs of government continue to go up, there is no sign of an increase in government efficiency.
>
> —the size of the public payroll today, relative to the amount of work being produced, is a bigger disgrace than ever. Glassco was too late, and nothing can save the taxpayer now, or ever.

Time is of the essence in debates of this kind, so that I will simply limit myself to outlining some of the areas where there is ground for legitimate complaint on behalf of the taxpayers of this country about the way their money is being spent by the government, and the way in which estimates for those expenditures are placed before Parliament and approved.

In this connection, as well, we shall need to consider the unholy mess disclosed by the secret memorandum from the Deputy Director of Information Canada; certain expenditures on behalf of the Department of National Defence relating particularly to the *Bonaventure,* the hydrofoil vessel and the DDH destroyer program, which is still pending; some of the projects contained in the local initiatives program; the manpower training and unemployment insurance benefits fiasco, and the housing program; and the Department of Regional Economic Expansion and its method of making grants and providing subsidies. If I have an opportunity, and if time permits, I will go into details with respect to these matters later, Mr. Speaker. Some of my colleagues who will follow me will deal particularly with some of the areas I have mentioned, and will outline clearly sufficient evidence to convince even hon. members opposite that the government is stupid. They will establish beyond any reasonable doubt incompetence, mismanagement, waste, stupidity and gross carelessness in the payment of taxpayers' money.

It is the duty of an opposition to be critical, Mr. Speaker, to point out errors and defects in the operations of government. I submit that Her Majesty's loyal opposition has, during the course of this Parliament, gone beyond this and from time to time made a series of alternative proposals and suggestions which will be found incorporated in the various amendments which we have offered, either with respect to legislation or in the form of various opposition day motions we have moved. I am not suggesting that they contain the sum total of our alternative policies. I want to make the point, in answer to those who have indicated that we have not suggested any alternative remedies, that a full examination of the parliamentary records and of *Hansard* will make it abundantly clear that we have discharged our proper responsibilities and offered rational alternatives. Why, then, have some of these programs slipped through? Why are they being maladministered? Why is money being paid out as it is now being paid out? And, what can be done about it?

In the first place, Mr. Speaker, the committee system has not worked as was expected and many of its original proponents now doubt its value. I have talked to hon.

members opposite, who agree with me. Many of them, as I say, doubt its total value, particularly in so far as estimates are concerned. Mr. Speaker, there must be changes. All we have today is a minuet of committees. In many instances there is no opportunity and no means for hon. members to come to grips with the question of estimates, payments and expenditures. The basic principle governing supply, a principle that has come down to us through the ages, has been eliminated. This principle is that supply ought to be held up until basic grievances raised in this place by members of the House on behalf of the people of Canada have been answered. At present, Sir, there is no real opportunity for this to be done.

At present, estimates must be passed by a calendar date. Even if there has not been adequate study with regard to some of the items, and in many instances there certainly has not, all the votes are automatically deemed to have been passed by a certain date. In committees, the intention was to provide government members with an opportunity to be objective and independent, and avoid the party whip. This has not been the case. Government members fall neatly into file and toe the party line when estimates are challenged. A recent column written by George Bain in the Toronto *Globe and Mail* demonstrated this. He said in part:

—the principle of responsibility always looming, the committees in the end will report on any vital matter precisely on party lines.—

—But it would be worthwhile to examine, openly, to see whether it would be beyond Canadian ingenuity to devise a system which, by reducing to a very small handful the occasions on which a government might be defeated in the House and have to give up power, would permit some relaxation of the dead hand of party discipline as now applied.

I hope the Prime Minister (Mr. Trudeau) will heed the message and relax the stern discipline under which all members are restrained when estimates are discussed, so that backbenchers on the government side in particular may be free to vote according to the dictates of their consciences rather than according to the way they are told to vote.

Mr. Pepin: You people had better watch your own discipline.

Mr. Baldwin: Let me talk for a moment about supplementary estimates. Today we were given supplementary estimates B, involving some $433 million. Supplementary Estimates A were tabled in the House on November 19, 1971 and totalled some $872 million. In other words, by virtue of these supplementary estimates, more that $1 billion has been added to the spending program of this government. What opportunity do hon. members have to deal with these supplementary estimates? What has happened, Mr. Speaker?

The estimates of 25 departments were contained in Supplementary Estimates A which totalled altogether $872 million odd. There were 87 votes in all in those supplementary estimates. Because of the limitation of time pursuant to our Standing Orders, only 32 of those votes were considered. We never discussed 55 of them. They were never debated, never questioned. Not a single question was put in the committee, largely because of the fixed date for passing the estimates which governed the work of the committee. The estimates were out of the committee

on December 7 and were the subject of an appropriation bill in this House on December 9. Mr. Speaker, that was shabby treatment. That was not good enough. The people of Canada are being ill served by Parliament when the rules established by this government permit sharp practices by the government and even encourage this to happen.

• (1530)

There is a great lack of detailed information in the estimates. I shall not go into the details of that, but I defy even members of this House, after looking at the estimates to comprehend what is involved. They are full of gobbledygook. Those people in the Treasury Board who know about them may understand them, but to the average member of the public and even to members of this House they simply do not make sense. I am not alone in saying this. The Auditor General said it in many of his reports to this House. The Public Accounts Committee has said it also on a great many occasions. I suggest that a very serious look should be taken at this particular problem, so that when we examine these estimates they will be comprehensible and we will have the capacity to deal with them.

In addition to that, I suggest that the estimates of at least four or five departments must be brought to the House each session by way of Committee of Supply. These should be at the choice of the opposition. This would mean that, during the course of the average Parliament of four years, more than half the departments of government would have had their estimates discussed in the wider forum of the House of Commons. I am not suggesting at this time that we revert entirely to the old system. We may consider this, at least as a half-way house, but I think it is absolutely essential that commencing this session at least four or five departments should have their estimates considered in the House in Committee of Supply. Then, there should be a vote on every motion brought in by the opposition parties on the 25 opposition days, although only six of these would be construed as being non-confidence motions. There is no reason the government should not be compelled to take a stand and that all members be counted. This could be done if it were clearly understood that these were not non-confidence motions. At the present time, unless there is a motion on which there is to be a vote, the procedure becomes more and more futile so far as the opposition is concerned.

I have already indicated that in my view the form of the estimates should be changed to conform with the proposals made by the Public Accounts Committee and by the Auditor General. In that regard there is one important suggestion I make to the President of the Treasury Board (Mr. Drury). Members of this House, members of committees and the public should be aware of the present estimated cost of programs. We have often seen the situation where some large program is introduced with a blaring of trumpets and loud hallelujahs. It is rumoured that the cost will be X million dollars. Each year we find in the estimates a limited amount of money included to cover that particular year's work on that project. What we do not know, however, from year to year is by how much the cost of that project escalates and, by the time the project is completed, we learn to our dismay and certainly to the

dismay and anxiety of the taxpayer that it cost not X million of dollars but rather four times X million of dollars.

I suggest to the President of the Treasury Board that in each vote of the estimates of this kind there should be included the original project cost, the present estimated cost and any proposals or thoughts which may be in the mind of the Treasury Board about the final cost. Such information should be available in clear and specific language to members of the House and the public so that they would have knowledge of the ultimate cost of the project. In this way, the taxpayers would know what they are facing, and then if they wished to object through us as their representatives we would be in a position to do so, basing the objection on facts.

There should be a moratorium on dollar items. In the supply items given to us today by the Treasury Board we find 12 dollar items.

Mr. Knowles (Winnipeg North Centre): There are 20.

Mr. Baldwin: I stand corrected. I have not had an opportunity to examine them. I noticed 12 at first blush. We all know what dollar items are. The government brings in an item for $1 and within the limited wording of a vote in the estimates there is a provision for spending which should be contained in legislation. I suggest there is no reason, save in cases of emergency, that the government should not with proper timing and proper understanding place legislation before the House. We have an example in Information Canada. We have an example in the local initiatives program. There are dozens of examples costing hundreds of millions of dollars for which this House has had no opportunity, during the course of considering a bill, to make proposals, to make amendments, to make changes or to call witnesses before a committee. The items are there, and they are subject to a time limit. As I said before this is an exceedingly shabby way to treat the taxpayers of this land.

Finally, the relations between the Auditor General and the government should be altered so that we get better service from this official. A question was asked in the House of Commons yesterday by the hon. member for Calgary Centre (Mr. Harkness). Today, I am told, there is an article by the Canadian Press containing a statement made by the Auditor General, in which he says the reason he was not able to produce his report at this time is that his staff has been reduced. He says also there is a lack of morale among the staff because of the failure of the government to meet with his request concerning salaries and classifications, as a result of which Public Service Board has not been able to recruit the staff he requires.

I believe this requires a very substantial and serious answer by the government. The Prime Minister (Mr. Trudeau) said he would look into it yesterday. It is a very dangerous situation when the Auditor General, the last defence of the taxpayers of our land, is treated in this shabby way. According to the press release the Auditor General's report will not be out until at least May. The Public Accounts Committee is now dealing with the report up to March 31, 1970. Should an election be held this spring or summer, this House will have no opportunity, through the Public Accounts Committee, to deal with the report of the Auditor General. It will be left in abeyance until next fall and it will be almost two years after the event before we get around, through our committee, to a study of this report. Since the Auditor General has stated one reason for the delay is the very large number of mistakes in the public accounts, this calls for a very serious examination by this House and some explanation by the government.

Let me close on this note. Today all over the country people have sent, or have prepared, their income tax returns for 1971. They will shortly be coming under the new tax laws which were enacted last session. This is probably neither the time nor the place—and in any event I do not have sufficient time at my disposal—to deal with all the various programs and policies covered by the vast expenditures for the coming fiscal year. However, there is one duty which is obligatory upon every member of this House on both sides. It is to ensure that the taxpayer who is compelled to fork over his money to the government receives a dollar's worth of value for every dollar he pays. This certainly is not the case today. Most people realize there is a responsibility, within the opportunity afforded by their particular earnings, to make a reasonable contribution to limit poverty, distress, unemployment and the problems of the older people. I think the great majority of Canadians are also prepared to attempt to help, at least to some extent, narrow the gap which exists between the various regions of Canada.

• (1540)

Having said that, I think in addition the people of Canada are entitled to, and I demand on their behalf, a fair break. I know there is no government which spends other people's money which is 100 per cent efficient. That is the way it happens. But I think it is a shocking and a shameful thing to see exposed in this House year after year and month after month details of profligacy, of improvidence, of stupidity, of waste, of extravagance and mismanagement and absolutely no corrective measures taken. We demand on behalf of the taxpayers of Canada that this sort of nonsense be brought under control. I have attempted to offer some suggestions. We have criticized the government, and I think we are entitled to do so, but we have not limited ourselves to that. We have offered suggestions as to ways that this situation might be remedied. I suggest that the government should pay some attention to these proposals and give a reasonable answer to the people of Canada before this debate is completed.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I look upon the motion made today as a very important one, and I regard it as a motion which we should discuss in terms of looking at our House of Commons operation with respect to the estimates or, to put it in other terms, with respect to the expenditures that parliament is called upon to vote. I realize that in the first part of the motion there is a phrase that seems to get into most opposition motions, namely that we condemn the government, and so we should. No doubt before the day is out some speakers will elaborate on that part of the motion. But I confess that I am more interested in the latter part of the motion, which urges that steps be taken so that we can exercise greater scrutiny and control over

estimates and expenditures. I, therefore, propose to discuss this matter, as I have already said, in terms of looking at the ways in which the House of Commons deals with the estimates.

As hon. members are aware, we made some pretty drastic changes in our procedures a few years ago, and I want to say quite openly that I think in some respects the changes that we made were good. I believe that we did improve the process by which we handle legislation. I think it was a good idea for us to arrange for practically all bills to go to standing committees and for us to eliminate the duplication that we used to have when a bill could be discussed at length in a standing committee and again at length in the committee of the whole House. We got around the complaint that might arise because bills go to standing committees that members not on those committees do not have a chance to speak on the bill by providing for the report stage at which it is possible for any member, by putting down a motion, to achieve a discussion on a phase of the bill in which he is interested. That is not before us today, but I felt that I would like to say that I think we did a good job in the changes we made with respect to the legislative process.

However, I think we have not succeeded to the same extent—in fact I think we have not succeeded at all—in our efforts to find a better way to deal with the estimates or the expenditures which parliament is called upon to vote. I welcome the attendance in the House this afternoon of the President of the Treasury Board (Mr. Drury), and I hope he will take the remarks I wish to offer in the vein in which I present them. I present them not as an attack upon the government but rather as a plea that the House of Commons as a whole take a new look at the whole question of how we handle our expenditures. I am frequently twitted about the fact that I have been around here for a few years. As I said last night, I am only beginning my stay in parliament, for I hope to be around for several decades yet.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): But I have been here long enough to see estimates handled in four different ways, not one of them perfect. When I first came here estimates were still being handled in just about the same way they were dealt with back in 1867. They were dealt with in the committee of supply, and every individual item had to be called. There was no time limit of any kind, either on an individual item or on the total amount of time to be spent on the estimates. There were some other aspects of the supply process that were quite interesting in those days that I need not go into. The point I am making is that that is the original way in which estimates were handled, namely, by every item coming before the committee of supply, which was a committee of the whole House, and I emphasize the fact that there was no time limit so that a minister had to give some kind of satisfaction or answer to the questions that were being put before he could get his estimates through the House of Commons.

In retrospect I think that was the best of the four systems that I have seen tried in the House of Commons, but I have to say that with the much larger volume of business of all kinds, including the increased amount that comes under the heading of expenditures, the year is not long enough for us to go back to that system under which all of the estimates were dealt with in the committee of supply on the floor of the House of Commons. We just could not handle it if we did it in that way and, as a matter of fact, that is the reason that quite a few years ago we made a significant change. That change—and I come now to the second regime which I have experienced with regard to estimates—was to provide for all the estimates still to be considered in the committee of supply but for there to be a total time limit. It escapes my memory whether we had a longer period of time at one stage, but at any rate, 30 days was, for quite a period of time, the total length of time that was allotted to the estimates. We fixed that limit of 30 days because the year was not long enough for us to continue the practice that had been in effect since 1867.

When we started the practice of dealing with estimates on the floor of the House under a time limit of 30 days, we found that it saved a lot of time but we also soon found that it was terribly unsatisfactory. There were many departments to be dealt with, so we had to take a department for only a day or two, then let it stand, and move on to another department for a day or two in order that we might have some time, even if it was only half a day in some cases, for all of the departments. It sounded a plausible way to deal with things. It sounded as though it was a responsible and a proper use of time, but it soon developed that a minister whose estimates were called knew that he had one day or two days to sit there and listen to the speeches. He knew we would not get off the first item. He knew he would not have to answer any questions. He knew that when the day or two allotted to him expired, that would be the end of his appearance until we got to the end of the thirtieth day and then, on that occasion, the total of the estimates would be voted.

• (1550)

It meant that during those 30 days we had lots of speeches. When agriculture was called the farming members spoke for a couple of days. When labour estimates were called, members interested in labour matters spoke. When external affairs estimates were called we had the sophisticated speeches of these esoteric people who know all about international relations. But we soon came to realize that although this second arrangement was a time saver, it really was not satisfactory at all.

So the day came when we proceeded to make another change. It was in the transition from the second regime I have just talked about to the present one. For one session, or perhaps two, we had a half and half arrangement. Let me describe that half and half arrangement. In that session or two we sent most of the estimates to various committees, but we arranged to keep three or four departments on the floor of the House of Commons. The choice as to which departments would be dealt with on the floor of the House of Commons was left to the opposition.

I want to say that I think that system worked fairly well. The difficulty was that it was agreed to only as a transitional move, and there never was any plan for that system to be continued. The effect of that system was that the estimates that went to committees got a certain amount of discussion, and one right that the opposition had up its

sleeve was that it could say to the government, "These are the departments we want to deal with on the floor of the House of Commons in this particular session". I think that system worked fairly well. Perhaps modification of it would have been a good idea, but the main difficulty with that system, as I say, was that it was transitional only, and we did not renew it.

Then, we moved from that to the present system under which we send all of the estimates to committees, every last one, including the supplementaries, such as were tabled today. We have abolished the committee of supply. By the way, Mr. Speaker, I was a member of the procedural committee that recommended this, and we thought we were producing a method that was better than the former one. We decided that since all members were doing on supply days was making speeches anyway, we would put in their place 25 opposition days; that we would be honest about it and say 25 days are for opposition members to discuss whatever they wish. In return for that, we would let the estimates go to committees and renounce any right to deal with estimates on the floor of the House.

I think that was a mistake. I do not think we should be faulted for having proposed the idea and for having given it a trial. But it has not worked. The estimates go to committees. Perhaps in the first session of a new parliament the estimates of this department or of that one will get a fairly good going over. But so far as parliament as a whole is concerned, the members not on a particular committee get no chance at those estimates. A day comes, therefore, at the end of the session when a vote has to be taken, and unless those members put down motions, as some of us have done on occasion, all these millions or billions of dollars are voted in a very few minutes, without debate at all.

I think it might almost be better not to do it at all, and merely pass one act which provides that whatever estimates the Treasury Board has brought in are deemed to have been passed when the session ends. But I am sure the President of the Treasury Board does not want that authority. All I am saying is that what we do is so ridiculous that we might as well go the whole way. It is time we had a look at the experience we have had, a look at the four methods, assess them, and ask whether there is not some better way than the one we now follow.

I think the present system is no good. I think the second of the regimes I mentioned just a while ago was likewise no good, that is, when we sent all the estimates to committee of supply but with a time limit of 30 days. I think the system that was in effect when I first came here was the best, but it is not possible to go back to it because there are still only 365 days in the year and there is so much more business to be done. But I think something of the order of the third of the systems I described would be a lot better.

I would like to see us arrange for the estimates to go to committees, and I want to make some suggestions about that, but I would like us to make it part of our rules that the opposition has the right every session to name three or four departments—and it does not have to name them until on in the session—that would also be dealt with on the floor of the House of Commons. Whether that would be done by a committee of the whole or a committee of supply does not matter. I would even go so far as to say that this should be without time limit. Lengthen the days if necessary. Have morning sittings then, instead of morning sittings in the debate on the Address in Reply to the Speech from the Throne. If there is anything to the supposition or myth that parliament controls the public purse, we ought to set it on a basis where we really will be doing this kind of thing.

With regard to the committees that handle estimates, they should be looked at as well. Some of my colleagues may develop some of the points in an amendment that I am going to move, namely, that there should be more services for those committees, more space for them. Don't kick us out of this building and put us over in the Confederation building somewhere. Leave us in this building, but provide a building in which committees can operate as they should. There should also be proper time for the committees to do their job. Now, I am back to an old theme that I often proclaim, namely, that there should be times when parliament does not meet but committees do so that they can do their job.

Then, we have to look in particular at the kind of job committees do on estimates. I go on committees that deal with veterans affairs and with health, welfare and pension matters. These are subjects in which I am interested. But when I do go on these committees, what is my interest? My interest is getting all the money I can for veterans, for pensions, for health services, or what have you.

When my farm colleagues go on the Agriculture Committee they are not interested in saving money. They are interested in getting money and services for the agriculture industry. That is part of our job. None of us is going to renounce it. But in my opinion there is a place for a committee on estimates made up of auditor types, public accounts types, members who will devote themselves to this and will scrutinize the estimates the way the Treasury Board is supposed to scrutinize them before they ever get into the book. I believe that whole programs should be looked at with what we sometimes call a fine-toothed comb, if that isn't a mixed metaphor of some sort. The job our committees do now on estimates is not an auditing job. It is not an inspection or scrutinizing job. It is a job that members do because they are interested in the subject of the committee to which the estimates have been referred.

Another fact of life around here is that in any parliament each department gets a pretty thorough going over about once, and then examination tends to peter out. It is repetition. Maybe it would be good enough in a four-year parliament that every department would have one thorough examination with, shall we say, a special committee on estimates, that could have the authority to call for three or four or five different departments that it would examine, not with an eye to getting more dollars for this or that program, but with an eye to close scrutiny of the estimates. This is the type of thing I am advocating. I think we should go back to a combination of reference of estimates to committees and of dealing with three or four departments on the floor of the House of Commons.

I also think, so far as the committees are concerned, that the standing committees generally should have more

time, and space, and services, and that there should be a special estimates committee which again would have the authority to call each session for three or four of the departments to come before it for the kind of close scrutiny that could be given to them by that type of committee.

• (1600)

Now, Sir, it seems to me that this is the kind of thing we ought to consider. I do not put my ideas out as the final answer, and I would certainly be glad to see them modified or amended. However, I do plead that we not go through another Parliament handling or mishandling or failing to handle estimates as we have these past few years.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): The process of handling supply the way we do on both interim and final estimates is really a joke. The President of the Treasury Board filed supplementary estimates today, getting them in before the end of March, which means that we do not get the three extra days provided in the rules under certain conditions. The day will come when he will ask for a vote for interim supply for the months of April, May and June. He will get it without any debate on the floor of Parliament because that is the rule. By the end of March, he will have his interim supply for the months of April, May and June and by the end of June, because it is in the book, he will get his vote on the main estimates for the balance of the fiscal year, or until the end of next March. We did this with our eyes wide open because we did not like the old system by which money was being voted on at all. I think we are to be commended for getting rid of that farce, but now we have another one.

As I say, I am trying to present this not as a case of confrontation between government and opposition, but I am asking that we discuss our own operation as a House of Commons. The rules that we have were produced by us. In terms of the legislative process, we made tremendous improvements and we do not need to worry about them within the life of a few more Parliaments. Naturally, members will come along who will want to change them, and that is the way it should be, but in terms of the supply process what we have now is not any good at all.

The President of the Treasury Board may not go as far as the judgment I have made, but I think he will agree that he would like something much better. What he has is very convenient; he knows that once Treasury Board produces the estimates his troubles are over. He gets interim supply before the end of March and the main estimates before the end of June. The worst that could happen is that there might have to be one or two votes on the last night in June on some opposed items, but even that process is hard to pursue. We have put them down for the Prices and Incomes Commission and for the Senate, but there are very few items in the estimates that we can oppose entirely. There are a lot of government programs of which we are critical but we cannot put down a motion of opposition for the entire item. The whole system is for the birds. It does not fit the requirements of a Parliament that is supposed to be giving close examination, is supposed to be scrutinizing the estimates and is supposed to fulfil the role of guardian of the public purse.

I shall welcome further comments made during the course of the day about this matter, but since I see my time is about up I had better present the amendment to which I referred. I should like to offer an amendment to the motion presented by the hon. member for Peace River (Mr. Baldwin) which suggests in general terms the kind of thing for which I have been arguing. I, therefore, move, seconded by the hon. member for Timiskaming (Mr. Peters):

That the motion be amended by adding immediately thereafter the following words:

"by amending the Standing Orders of the House of Commons so that the handling of estimates, instead of being perfunctory and ineffective, will be put on a proper basis, including provision for adequate committee time, space and services, and for consideration of certain of the estimates on the floor of the House of Commons."

Now, Sir, hon. members may have other suggestions and those I have set forth could be modified, but in the main I think what we are proposing is clear. We accept the fact that the legislative process, using committees as it does, is good but we are not satisfied with the process by which estimates are handled. We think it could be improved by strengthening committees, by giving them adequate time, space and services. We think the whole process could also be improved by having an arrangement of the kind I have described, namely, that some of the estimates could be dealt with on the floor of the House of Commons at the instigation of the opposition and also that some of the estimates each year could be dealt with by a special committee set up for that purpose.

Therefore, Mr. Speaker, we welcome the motion that has been moved so that the House can discuss these matters today. We hope the House will look favourably on our amendment and, whatever happens on the vote tonight, we hope that this House will make up its mind that if it is not done before the forthcoming election, in the next Parliament we will have to find a better system for carrying out our function as the guardians of the public purse of Canada.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, the motion we are debating today, moved by the official opposition, means that Parliament should be empowered to scrutinize thoroughly federal expenditures.

Indeed the motion is worded as follows, and I quote:

This House condemns the Government for its mismanagement and waste of taxpayers money and urges that Parliament take steps to exercise greater scrutiny and control over estimates and expenditures.

The motion refers to a "waste of taxpayers money" and this is just about what is happening throughout the country. Today, I would like to deal briefly with the local initiative projects approved by the federal government.

Some projects had to be submitted first to the provincial authorities, the Municipal Affairs Department in Quebec and similar departments in other provinces, and

the minister or his department accepted the projects presented to the federal government.

Later on we had answers such as this one: This project has been refused. A phone call to the department brought this reply: Certain funds earmarked for these projects have been spent and the total of these amounts exceeds the budget—a budget of $50 million for the whole country. It so happened that many important local initiative projects were refused while others less important were accepted.

For example, the creation of snowmobile trails had been requested and certain municipalities or parishes asked for the improvement of community centers. All they wanted was money to pay the salaries since the materials would be supplied by the parish or municipality. This was rejected.

Substantial amounts of money were spent to create jobs and while these were being created the number of unemployed was going up. The reason given is that the number of people entering the labour market is increasing rapidly; so unemployment goes up and at the same time the government tells us it is creating new jobs.

It may be true that new jobs became available because in February, for example, I saw men cutting branches in three or four feet of snow. Our unemployed were in the snow right up to the belt cutting branches. They had to dig to cut branches. It is obvious that the branches will be growing again this spring and that next winter this will provide other jobs.

However, when I saw those unemployed working in temperatures of 25, 30 or 35 degrees below zero I thought it might be wise for the government to undertake, next winter, another local initiatives program to allow these people to work in a heated place, for example, by buying balls of wool and knitting needles and having them knit mittens. There are not anough mittens in politics. We need more.

I think, Mr. Speaker, that we probably need a new minister, a minister of balls of wool to ensure fair distribution to those who want to knit. They could knit in a heated place. This would be as intelligent as having them cut branches in the middle of winter.

I think the Prime Minister (Mr. Trudeau) has not yet thought of it. In the coming election campaign we will see if he does not promise us a department of balls of wool and knitting needles to take care of the jobless next winter.

Mr. Roch La Salle (Joliette): Would the hon. member allow me a question? Would he make a suggestion to the government?

Mr. Caouette: No, but I am ready to suggest the replacement of our present crazy system. My suggestion would be as crazy, but not more.

Mr. Speaker, important projects have been rejected while, I repeat, others which were unimportant were accepted. Who made the decisions?

Some municipalities, for instance, are told: Your project has a fair chance of being accepted. A building project of sorts is then submitted to the Minister of Municipal Affairs providing that the government would pay the salaries involved. The municipality concerned is given to understand that the federal government will accept the project. The provincial government gives the go ahead and subsequently an architect is hired. The plans are drawn at a cost of $10,000 to $12,000 which the municipality is called upon to disburse. The plan is then submitted to the provincial government and the minister declares that it is accepted and that it should be immediately forwarded to Ottawa. Two or three weeks elapse—these things take time—after which Ottawa decides to reject the project. The municipality is then compelled to pay $12,000 to an architect for a project that has been rejected. The government does not contribute a cent. That is, once again, a brilliant system: Parishes and municipalities are compelled to run into debts and pay the salaries of architects whom they are obliged, by provincial laws, to hire. This is done with a promise that the project will be accepted, but then it is rejected.

• (1610)

Only recently, I was talking to officials of the department responsible for the Local Initiatives Program, and they admitted to having gone over the budget. They have spent $15 million already, and the minister says he is not going to add a penny.

Mr. Speaker, since we have established a Local Initiatives Program, let us at least respect the projects which make sense. Let us not make petty excuses and say that all the money has been spent. Let us create a budget!

Yesterday we were presented with a $219 million budget designed to make up for the deficits of the Canadian National Railways and Air Canada. Strangely enough, we will manage to find the money! Why cannot we do the same thing for serious local initiatives projects—not, of course, for revolutionaries and rebels!

There is a local initiatives project in Mont-Laurier, for instance, where the FLQ leader Pierre Vallières, who has now been released from jail, has been hired, even though he said: I will never stop working towards the separation of Quebec.

That same night, the former Minister of Labour (Mr. Mackasey) stated humbly in a television broadcast in Montreal that Pierre Vallières had a right to work. I do not question this right, but let him go and work for René Lévesque—not for the federal government.

Vallières is paid with the Canadian people's money for working towards the destruction of Canada, towards getting Quebec out of the Canadian Confederation. Where do they send him? To the poor people in Mont-Laurier, so that he can see whether it is true that there are poor people there, and why and how they are poor, and so he can give them advice: You know, fellows, the reason you are poor is because of Ottawa. If you were on René Lévesque's side in order to make the separation of Quebec come about sooner, you would be a little poorer but it would not show so much. This way he tries to stir up people against the country. Ottawa does not raise any objections. They say: It is a Mr. De Serres who is responsible for the project—another notorious separatist, another man who is openly anti-Canadian. And this project gets $46,000 or $48,000 from the federal government.

The same goes on in my area of Rouyn-Noranda. Small groups of separatists receive federal subsidies for local initiatives projects. They use that money to try to destroy Canada. You meet them in groups of ten, twelve, and they tell you: Ottawa is stupid enough to pay us, but we are not so stupid as to turn it down. And so they accept subsidies from Ottawa to work towards the destruction of Canada. The government has money to finance those projects but when it comes to the parochial complex of Nédelec, in Témiscamingue, it does not. They refuse a subsidy of $52,000, while in a neighbouring parish, they subsidize a skidoo trail, part of which is built on a river! When the ice melts, the trail will disappear. Still, $46,500 were granted for that project.

I have nothing against skidoo trails; I like the sport myself and do some skidooing. But, Mr. Speaker, projects of greater importance than skidoo trails have been truned down. If they were not, all would be well. Skidoo trails are fine indeed for week-end fun, but they are of secondary importance. In a logical system, that is the way things would be. But under our present system, skidoo trails have the priority over parish halls, and municipal or provincial improvements.

Money could be spent towards achieving better understanding between the various elements of Canada, so that all might work towards buttressing Canadian unity. But no, money is spent on projects that are worth very little.

So, Mr. Speaker, I distinctly blame the government for this situation. The opposition is quite right in saying it has been a stupid waste of taxpayers' money. That is what we are protesting against.

Now, let us turn to the area of unemployment insurance. To a question I put this afternoon, the Parliamentary Secretary to the Minister of Manpower and Immigration (Mr. Perrault) replied that there were 200 major offices throughout Canada. They have been centralized in the province of Quebec. For our region and the Hull region, the regional office is in Montreal. Anyone applying to the local Rouyn-Noranda office is referred to Montreal. Some people have received no benefits since October 25, a period of four months. We are entering the fifth month, with still no cheques forthcoming.

Yesterday, for instance, an applicant from Larder Lake, a village in the riding of my friend, the hon. member for Timiskaming (Mr. Peters), told me that he has been in touch with the Timmins office since October 25. The day before yesterday, he was notified that his case was still pending. They have been processing the case of this applicant for four months. He was advised to apply to a welfare office for assistance pending settlement of his case. Anyone applying to the provincial welfare office is told: "Your unemployment insurance benefits will be coming through." Yes, but when? In the meantime the applicant is required to undertake in writing to make his cheques over to the office when he receives them and he will thus obtain a small cash advance in the meantime. That is the game they are playing with the unemployed.

There is a still more serious case in my region, Quemont Mines which closed down, laying off 350 miners. These people, according to their working contract, had accumulated a fund of $750 each, which they received when they were laid off. They applied to the Manpower Centre, but they were told: Gentlemen, when you have spent your $750, we will pay you unemployment insurance benefits. Now, the miner who has not found a job the day after his dismissal does not receive any unemployment insurance benefit. On the other hand, the one who has found one continues to receive an income. He is not told that he will not have to pay unemployment insurance as long as his $750 are not spent. Unemployment insurance contributions are required from his first working day. After having paid unemployment insurance contributions during 20 years, those people are denied benefits, not because they are unemployed, but because they have accumulated $750 during that period. That amount is considered as an extension of their wages.

I suggest that the Department of Labour is stealing from the workers of the Quemont and Noranda mines whose wages amounted to $3,000 or $3,500 at the time of their dismissal. This means that the Department of Labour is a department of thieves whose victims are the miners who have spent their lives toiling at 5,000 or 10,000 feet underground, have lost their job and are now receiving $750 for 20 years of work. And then they are told: Gentlemen, you must spend your $750 before you can get unemployment insurance benefits.

I brought this problem to the attention of the minister who told me: Officials have made a decision. What is the use of a minister who cannot make decisions? It is the officials who are going to decide in the case of the Quémont miners! These men have paid their unemployment insurance contributions, which means that it would come to the same if the government or the public servants said: Gentlemen, over your 25 years of work, you have saved $4,000 or $5,000; so we will have to check. Spend your $5,000 and then, we will pay you unemployment insurance benefits.

• (1620)

As for the $750, the government has collected them from those miners during 20 years. He has collected unemployment insurance contributions. And, when the time comes for benefits to be paid to them, they are told: Spend your $750 allowance, and then we will start paying you unemployment insurance benefits. The Quémont miners began receiving benefits at the beginning of March when they had lost their jobs in August, in September or in October last year. And this is supposed to be normal!

Mr. Speaker, that is a waste of the taxpayers' money. It is more costly to hire someone like Lefebvre, a former Liberal organizer, at $600 per week. Six hundred dollars per week! Money is available for that, but to help the unemployed, there isn't any.

For political patronage, money is available. To serve man, there is not. Appeals are made to the department, to the minister, to the deputy minister to solve some cases, because one cannot do so by oneself. And, suddenly, one finds that shameful waste is the rule in many fields, in several sectors of the federal government.

Mr. Speaker, no wonder provinces and municipalities are opposing Ottawa. Millions, billions of dollars are thrown away. When we ask the government to spend money for the people instead of taxing them and spending

money for the benefit of a few privileged persons, we are laughed at.

Ten years ago when I was advocating on television that the Canadian economy be given a push, I suggested distributing $100 to each Canadian only once so as to see the results five or six months later. A family of 10 would have received $1,000 of Canadian credit. One of five would have been given $500. We could then have found out if it was a failure or a profitable undertaking. The Liberals laughed at us. Fools!

According to the estimates for the current year, interest on the national debt is $2,335 million. Do we know what that means? $106.43 per person in Canada. It means that a family of 10 must pay $1,064 in interest on the national debt. Do you see any government members rise up to protest against the interest on the national debt? Of course not. If the amount of $106 is paid to financiers, that is fine, but, if it is paid to Canadians, they cannot see it. They are such fat-heads.

Mr. Speaker, government expenditures are tremendous. Out of a budget of $18 billion this year, nearly $2.3 billion will go to pay the interest on the national debt alone. Nobody protests against that. It is the worst waste in the whole budget, in the whole federal administration.

Mr. Speaker, the Créditistes object to this waste and urge, as it is said in the motion, a fair and honest scrutiny of the Canadian government expenditures, in order to serve the whole population.

[*English*]

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, the motion we are considering appears to have two aspects. In one of them, the government is roundly condemned for what is described as mismanagement and waste of taxpayers' money. In the other, parliament is urged to take steps to exercise greater scrutiny and control.

The hon. member for Peace River (Mr. Baldwin) cited instances of expenditures which have been fairly well examined, I think. In every instance they have been explained, and in many instances the course of action taken has been justified. To describe these now, at this late date, as examples of waste, extravagance, inefficiency and the other attributes he was able to find in his dictionary, is not likely to take us very far in this discussion; I do not think it would be helpful if I were to attempt to rehash all this old history again.

Let me put on record some information with regard to government expenditures as a whole. It is true that government expenditures have been rising from year to year, though I suggest they are not rising at so great a rate as the increase in the responsibilities of the government would indicate. This increase in responsibilities results from the growth in population and from economic growth as reflected in the increase in our gross national product. Public expenditures in Canada have been rising quite rapidly in the past few years. However, they have been rising much more slowly in the federal field than has been the case either in the provincial area or in the combined municipal and provincial area.

The average rate of growth of federal expenditures during the period from 1967 to 1971 inclusive was 11.8 per cent per year. Of the total federal expenditure, very substantial sums are transferred annually to the provinces and it is the provinces which in the final analysis make these expenditures and control not only their size but their scope and administration. If one subtracts from the total of the federal expenditures I have mentioned transfers to the provinces, one finds that net growth in federal expenditure exclusive of these transfers to the provinces in the year 1967-68 was 7.8 per cent; in the year 1968-69, 11.6 per cent; in the year 1969-70, 9.8 per cent; and in the year 1970-71, 7.8 per cent, for an average net federal expenditure growth rate of 9.3 per cent per annum. That is pretty much the same as the growth rate in our gross national product.

• (1630)

In a similar way, growth of public expenditures by the provinces is rather more spectacular. From an average annual growth rate of 18 per cent per annum, one subtracts the substantial transfers made by provinces to hospitals and local governments for administrative control and expenditure purposes. This leaves a net figure for provincial administration growth rate in the year 1967-68 of 16.9 per cent; in the year 1968-69, 12.9 per cent; in the year 1969-70, 23.5 per cent; and in the year 1970-71, 24.7 per cent, for an average annual growth rate in provincial government public expenditure, not including sums transferred for local control and administrative purposes to hospitals and municipalities, of 19.5 per cent. So, one can see that the expenditures of the federal government, exclusive of transfers to the provinces, have been something in the order of the gross national product growth, but have grown at a conservatively lesser rate than provincial government expenditures.

Another feature I should like to emphasize is that about one-half of our total annual expenditures are derived not from programs put forward in the estimates and under the appropriation acts, but from separate parliamentary statutes that provide for expenditures on a scale, at a rate, and under conditions determined by the particular statute itself. About one-half of our annual expenditures have been devoted to this particular purpose; the other half go toward appropriations under programs contained in the estimates.

Growth in statutory expenditures as against what we might call discretionary expenditures or appropriations in 1967-68 was about 43 per cent of total federal expenditures, rising in 1972-73 to about 482 per cent. So that the amount of discretionary expenditures under the appropriation acts both in relation to public expenditures as between the provinces, municipalities and the federal government, and in relation to the federal government itself as between statutory expenditures under the control of acts of parliament and discretionary expenditures, has been decreasing. Indeed, it has shown the slowest growth of all the expenditures I have described. This is the particular aspect to which the hon. member for Peace River directed his attention.

Mr. Basford: Except that he is not paying any attention now.

Mr. Drury: Then perhaps I should not say directed his attention, but directed his remarks. So the fact is that the suggestion that these expenditures have been growing out of control is not borne out by the facts relating to total expenditures. I will not dwell any more on that particular item.

In making his litany of complaints, the hon. member for Peace River referred to worshipping at the temple of bureaucracy. That is a temple at which I do not worship, though perhaps he does.

Mr. Baldwin: You are in it.

Mr. Nowlan: You built it and you own it.

Mr. Drury: If the hon. member for Peace River is prepared to worship at my feet, I do not like it but I will accept it. Like the disposable public expenditures that I have mentioned, the bureaucracy itself has also not been growing out of control. During the past ten years the average rate of increase in the size of the public service has been 1.5 per cent. I think this represents a much slower rate of growth than the increase in responsibility for the very large, new expenditures, public benefit schemes, such as the Canada Pension Plan, the guaranteed income supplement, the reform of the income tax system and the issue of capital gains. The additional people required to administer these programs—

Mr. Douglas: How much do you pay into the Canada Pension Plan?

Mr. Drury: The government of Canada is required to provide the administration for the Canada Pension Plan. We are talking here about numbers of people, about growth in the federal bureaucracy. I am saying that in spite of these new large programs, growth in the population of Canada, and substantial growth—something of the order of 9.5 per cent per annum—in the gross national product, the size of the public service, including departments and departmental corporations but not including, of course, the CNR or armed forces, has been of the order of 1.5 per cent per annum during the last 10 years.

Mr. Baldwin: But your casuals employed under contract arrangements take the figure up.

Mr. Drury: I am sure the hon. member would hardly represent that contractors' form part of the bureaucracy, certainly not that part of the bureaucracy of which he calls me an element.

The next item the hon. member mentioned and with which I propose to deal concerns the form of the estimates which, in his view, calls for some criticism. I can only assume that this criticism is based on lack of opportunity to look them over; I think it could hardly be lack of intelligence. The fact of the matter is that the present form of the estimates was the unanimous recommendation of the public accounts committee which gave the question long consideration, I suggest much greater consideration than the hon. member for Peace River has given the new form of the estimates. The committee was impressed with the fact that the revised form of the estimates now disclose more in the way of intelligible information than has ever been given to parliament before.

[Mr. Basford.]

Again I make the point I have made in the past, that power is based on knowledge, and that knowledge is power in the kind of institution we have. The government's endeavours to provide information to the public and, indeed, to members of the opposition apparently so overwhelmed those hon. members that they have not been able to assimilate it all and, consequently, they have had to take exception to the size of this great big, thick volume known as the blue book. There is too much information in it, and it confuses them. The hon. member cannot understand it.

• (1640)

Mr. Baldwin: It is not properly put together.

Mr. Drury: If the hon. member feels that it is not properly put together, let him make specific suggestions.

Mr. Baldwin: I already have.

Mr. Drury: Let him make those suggestions to the Chairman of the Public Accounts Committee, the body which gave consideration to the new form. That committee, including the chairman, unanimously adopted the new form and—

Mr. Baldwin: One chairman of that committee made recommendations which have never been followed.

Mr. Drury: I can only say that it is perhaps fortunate that they were not followed, because the subsequent Tory chairman in my view was correct in not paying attention to the recommendations of an earlier and less competent chairman.

Mr. Baldwin: He was not allowed to carry out those recommendations, because the majority of committee members would not let him.

Mr. Drury: The hon. member suggests that there should be votes on all opposition days. Apparently the ability of the opposition to articulate grievances or, indeed, to find grievances is so limited that by about half past eight in the evening on an opposition day there is no way of compelling opposition attendance except by requiring a vote and ringing the bell.

Mr. Baldwin: No, no. The minister has that all wrong.

Mr. Drury: We thought that we would establish a system in this House involving proceedings that are sufficiently interesting to command the attention and presence of hon. members without the sort of school boy announcement that would call them in for a vote on every one of those extra 25 days. Surely, it is a most unsatisfactory commentary on Parliament, and on the conduct of the opposition, when the only way of getting the attention of those hon. members is by ringing the bells and calling for a vote.

Mr. Baldwin: On a point of order, Mr. Speaker, I know the minister would not want to mislead the House on what I said. I think I must, under the Standing Orders, correct him and say what I had in mind was that I hoped some of the boneless wonders who sit behind him would be prepared to vote on motions that are not confidence motions.

Some hon. Members: Hear, hear!

Mr. Drury: Mr. Speaker, I am not quite sure what kind of remark that is, other than being an endeavour to get on the record a description of intelligent people as "boneless wonders".

The suggestion made by both the hon. member for Peace River and the hon. member for Winnipeg North Centre (Mr. Knowles) was that there should be consideration of the estimates of a number of departments, chosen in some way, in the committee of the whole. There should be a certain number each year so considered. The hon. member for Peace River did not explain why he would like this. His, I suppose, is the conventional wisdom that suggests that certain things can only be considered adequately in the committee of the whole or on the floor of the House and that it is impossible to have any kind of meaningful scrutiny, any kind of meaningful acquisition of information, except through an exchange of views across the floor of the House.

I myself feel that, under our committee system, there is an orderly opportunity for detailed examination and detailed scrutiny of estimates.

Mr. Alexander: It is all too fast.

Mr. Drury: In the consideration of estimates in committee, there are available for this purpose about two and a half times the number of hours that were available in the past. By referring all the estimates to committee, by abolishing the committee of supply, we have succeeded in providing more House time for the formal legislative process. At the same time, we have obtained two and a half times the amount of parliamentary time for the scrutiny of estimates than was the case in the past. I would feel reluctant to back any scheme that would diminish this level.

The hon. member for Winnipeg North Centre suggested that one reason for bringing this matter back to the House was that the members—he must have meant the members of the opposition—were concerned only about seeing that there was more money for their friends, for their constituents, and, consequently, that such scrutiny can hardly be described as a scrutiny of the estimates. For instance, the Standing Committee on Agriculture presumably is not competent to examine certain estimates in a critical way. The suggestion was that opposition members were there merely to see that there was more money for their constituents; or, they would represent that they were trying to get more money for particular constituents.

Mr. Knowles (Winnipeg North Centre): Be fair; this involves all the members on both sides.

Mr. Drury: Well now, Mr. Speaker, I can understand the hon. member making that statement. I do not accept that all the members on both sides are engaged in that activity. I happen to be a member of the House of Commons; and, let me assure you, Mr. Speaker, that this has not been my object in attending parliamentary committees.

Mr. Nowlan: Of what committee is the minister a member?

Mr. Drury: I am not a member, but I have attended—

Mr. Knowles (Winnipeg North Centre): Has the minister been a member of any committee?

Mr. Drury: Yes, I have been. Not only have I been a member of a committee, I have been a member of a committee as an opposition member.

Mr. Baldwin: The minister is one of the Commissioners of Internal Economy. That is the committee on which he sits.

Mr. Drury: Mr. Speaker, the real difficulty facing members of parliament is the vast volume of business that must be accomplished in what are described as only 365 days of one year. It is a fact that all of us try to undertake perhaps more than we can accomplish. We are constantly being frustrated, not because of the lack of information, not because of any lack of energy, but because of the lack of time to do everything we want to do. The essential problem that the hon. member for Winnipeg North Centre was raising, and that the hon. member for Peace River referred, to, was the problem of how more intelligently to allocate our limited resources of time.

The one arena in which time pressures are very great indeed is the arena of the House of Commons. I think, perhaps, better use could be made of opposition days. If anyone wished to scrutinize a particular department on a particular opposition day, this could be done. Today, for instance, if the opposition had agreed to look into a particular department and had expressed that desire, that could easily have been done. That it has not been done makes me assume that perhaps the opposition does not want to do this. The information on which intelligible and intelligent debate can be constructed is readily available, either in committee or through the committee system, where all pertinent information can be obtained quickly from knowledgeable people. I include in that term both ministers and officials. Such information is available and can be obtained in a way that it could never be obtained across the floor of the House, either in committee of supply or in committee of the whole.

Although, undoubtedly, our system is not perfect—

Mr. Baldwin: The minister must not say that, please!

Mr. Drury: —I am not persuaded that the improvements suggested either by the hon. member for Peace River or the hon. member for Winnipeg North Centre constitute an improvement over what we have today.

The hon. member for Winnipeg North Centre has described our present system of scrutiny as basically the obtaining of information in relation to programs. If information is not obtained and if the scrutiny, as he put it, is perfunctory and ineffective, that can only be because those members who claim to want information cannot be bothered to go and ask for it and cannot be bothered to get it. We have made a sincere endeavour, with the help of the Public Accounts Committee, to display more information than has ever been displayed before in the printed estimates. So great is the volume of information that the hon. member for Peace River has complained he cannot lift the blue book, because there is so much information in it.

• (1650)

The committee system is designed to make even more detailed information available. The informed opposition should then be able to carry on a constructive critical debate on opposition days and perhaps then call for rather more closely argued and more closely reasoned responses from the government than perhaps now is the case.

Mr. Baldwin: You will have an opportunity to try it after the next election.

Mr. Drury: The hon. member suggests I will have an opportunity after the next election.

Mr. Baldwin: If you are lucky, that is.

Mr. Drury: After the next election we undoubtedly will have another look at this problem of the allocation of our most valuable commodity, time, and will have noted the experiences of the present Parliament. I hope this experience will be taken into account, but I also hope that in consideration of the question there will be a real understanding of the essence of the problem and not an endeavour to construct a facade which perhaps will make it easier for the members to do their business without putting effort into what they conceive to be their business but rather into what I think the system calls for.

I would reiterate that I do not believe the case for the motion and the amendment which call for a change in our procedures has been really put forward strongly. I appreciate that the hon. member for Peace River rather was using this as a nominal or adjectival exercise, whereas I had the impression that the hon. member for Winnipeg North Centre (Mr. Knowles) really hoped to improve our system. But if the hon. member for Winnipeg North Centre will accept that the most useful thing that can be made available to him as an instrument by which to fulfil his particular responsibility is information and knowledge, then the suggestions he made do not seem to me to make knowledge more available to him, and this is really what he should be after. The conduct of a so-called scrutiny of a department in committee of the whole is not really a sincere effort to acquire information but merely an opportunity to make points. This can adequately be done in the 25 odd days per session which are now called opposition days.

Another point was raised by the hon. member for Peace River. This was in relation to the Auditor General. I regret very much that the Auditor General appears to have made some comments, not to the Public Accounts Committee through which he reports, but in some other fashion and as a consequence I do not know exactly what he had in mind or to what questions he was responding in relation to the remarks attributed to him by the hon. member for Peace River. I shall try to inform myself concerning what this particular problem is, but at the moment until I ask the Public Accounts Committee what the problem is it would perhaps be unwise of me to make any comment.

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I am pleased to have this opportunity to be involved in the debate of what we believe is a very significant motion.

[Mr. Drury.]

I feel that, without question, one would be ill advised to come to the conclusion that there has been no waste or mismanagement on a gross scale since there are so many facts and figures which suggest this is a proper conclusion. I was impressed somewhat by the speech given by the President of the Treasury Board (Mr. Drury). I think one thing stands out. He indicated to us, I believe in all sincerity, that in effect we in this House of Commons are attempting to deal with more than we can accomplish. I think this is a problem which is becoming more severe as we go along, particularly exemplified by the passage of the tax bill which, as I understand it, is an imperfect bill. This is readily admitted. There were amendments upon amendments and there are amendments to come. Yet because of expediency and because of some deadline, we attempted to deal with more than we could accomplish. The end result is imperfect legislation being foisted upon the Canadian public.

I was also very pleased to have the opportunity to listen to my House leader, the hon. member for Peace River (Mr. Baldwin), and I was equally impressed with the arguments developed by the hon. member for Winnipeg North Centre (Mr. Knowles). I have come to the conclusion that if changes are not made in our Parliamentary system we can probably call the exercises which are perpetuated in this House of Commons, facades—facades in the committee, facades in the House of Commons and facades continued by ministers—I say with all due respect—before the television cameras out in the hall. In other words, it would seem that this place is becoming meaningless for the member of parliament. We are here to represent our constituencies, to look at estimates, to project and give constructive criticism, and yet the ideas of a member of parliament are not usually accepted. The direction which he wishes to place before the House and the people of Canada is not accepted, and the implementations he would like to see pursued are not accepted. They come from the Treasury Board.

Without intending to be nasty in any way, I suggest that many members on the government side are frustrated. I do not think I am letting anything out of the bag when I say they want a more meaningful role, and they want an opportunity to debate and question the integrity of the government. They want an opportunity to vote in order to register their concern. However, because of the system which this government perpetuates they are denied this opportunity. It would be easy for me to condemn the government's handling of the *Bras d'Or*, the *Bonaventure* and Information Canadian, which are glaring examples of waste and mismanagement. However, I will leave that to other colleagues of mine on this side of the House.

Another very significant statement by the President of the Treasury Board was his acceptance of the fact there has been an increase in the government's responsibilities. He went on and on in respect of several programs, outlining the why's and wherefors. However, he missed mentioning the responsibility that this government has toward our most important asset, that is the human resource. It is in this area that a stinging indictment is due this government because of its shameful and disgraceful attitude towards people. The government should receive the highest condemnation. They should be condemned for their lack of understanding, lack of proper policies in terms of

priorities for people who want to work or who have been in the work force but have lost jobs as a result of this government's fiscal and monetary policies. The Government has stood by and watched this happen as a regrettable side effect, and therefore there is deliberation in the creation of the unemployment for 600,000 people.

• (1700)

What disturbs me is that this government, through lack of understanding of its priorities in the spending of money, has deliberately decided not to reward initiative and not to give incentive. As I understand it, the rate of unemployment is unprecedented and, as I pointed out, it will continue to get worse as a result of the lack of understanding of the government of what the priorities should be in terms of the spending of government money. We need an industrial strategy which will take into consideration the tax cuts and incentives, through the co-operation, understanding and assistance of other levels of government, of labour and management, in order to set the first priority of full employment. The words "full employment" are bandied around day by day, and yet there was a stinging indictment in the presentation of the Canadian Labour Congress which, I believe, speaks for hundreds of thousands of Canadians. I want to put on the record some of the things they have said in this regard.

Mr. Basford: I disagree with most of what they had to say on the subject.

Mr. Alexander: One must be careful not to be side tracked by interjections. This is what the Canadian Labour Congress had to say:

> Many Canadian families will continue to suffer because of past policies, probably the most inept, ill-advised and inhuman policies ever thrust upon any nation in modern times. Knowing fully well that this country for years has had a much more rapidly expanding labour force than any other advanced industrial nation, your government nevertheless persisted over a long period of time in pursuing the kind of policies which seemingly ignored this important labour force fact.

An exception was taken to the phrase "your government". The government said it should be "our government". I do not know why anybody should want to call it "our government". This is a stinging indictment which I believe embodies the thinking of all Canadians.

It would be very easy for me to relate my remarks to the inadequacies of the LIP program and the Opportunities for Youth program. One cannot question the principle behind these programs, but it is this that we are talking about when we refer to an industrial strategy, this ad hoc, off-the-top-of-your-head, make-work program which apparently is not making work, which apparently has been criticized from all sides, and which apparently has been condemned by the task force which has indicated that the Opportunities for Youth program has been a total failure. Let us remember how much money has been spent on the LIP program. As I said yesterday in the House, I do not know how these programs get through or what kind of scrutiny they are given before moneys are spent on them.

I refer to such programs as the one in the city of Hamilton which opposes the principles by which all of us abide in terms of our social, political and economic development and instead propagandizes Communism. I do not know whether this is acceptable to the government and whether this is the criteria that was set. Sometimes I wonder whether it is a devious plot on the part of the government in order to reward someone back on someone's riding. That is as general as I can make it without becoming too offensive.

Mr. Deachman: Don't overdo it; you are going to blow it.

Mr. Alexander: Other members who follow me will put the facts on the record I hope, indicating that the suggestion which I just made is well founded and truthful. Unfortunately, I do not have enough time to put some facts on the record with regard to housing. However, let me say that the government has wasted time in dealing with the problems of those who live in our urban centres. I look right now at the Minister of State for Urban Affairs (Mr. Basford), and I wonder what he hopes to accomplish.

Mr. Basford: I am waiting for facts.

Mr. Alexander: He is waiting for effects. How can there be effects when he and his predecessor have done nothing. We on this side of the House have brought to the attention of government members the problems that are associated with urban living. We have said that the constitution should not become a straitjacket precluding this government from action, but they said that under section 92 of our constitution the cities are the creatures of the provinces. Lo and behold, we now have a Minister of State for Urban Affairs. The establishment of this ministry was made at the suggestion of Her Majesty's Loyal Opposition. They are now involved in tri-level conferences, which was also the suggestion of Her Majesty's Loyal Opposition. Instead of taking our advice in the first instance, the government spent some $14 million in an attempt to find out just what to do.

I wish to put a few facts on the record so that the Minister of State for Urban Affairs will be able to reply to me in his usual charitable and friendly way. The hon. member for Trinity (Mr. Hellyer) submitted his resignation citing differences between himself and the Prime Minister (Mr. Trudeau) on the range of the federal government's responsibility in the housing field. The government initiated partial plans did not work. They tied down the construction industry with petty regulations and bureaucratic red tape, and they reduced housing availability to crisis proportions. Dr. Harvey Lithwick had a major opportunity within the government to design a coherent and active housing policy for this decade, but he resigned because he felt that the federal government was not prepared to admit the dimensions of the problem and was not willing to sufficiently change its thinking and discipline. The ministry proved itself to be primarily a co-ordinating agency with no power to develop programs or to implement them. What then is the sense of spending $14 million of the taxpayers' money if the government does not recognize the problems which the study set out to uncover?

• (1710)

Let me carry on for just a minute more, Mr. Speaker. Some time ago Mr. Dennis of Toronto's Osgoode Hall headed a task force on low income housing. What became

of Mr. Dennis and his task force report? Is there trouble in the printing department getting it ready for publication, or is it that such sweeping demands are being made for change that it could never be published for fear of putting CMHC totally out of business as a lending agency?

When it comes to waste and mismanagement the government's record is classic. The Prime Minister says to his supporters, "Let us not go to the public on our record." I don't blame him. Members opposite with any sense of responsibility dare not go to the people on their record. They want to talk about their future plans, but I want to talk about their record. It is a horrible record, a disastrous record, and lacks any indication of a sense of responsibility.

Hon. members opposite sit in fear because they know we have the right to stand up and criticize, and with our mandate have the right to be the protectors of the people's interests. I can tell the smiling Minister of State for Urban Affairs that this is our function, and we will continue to carry it out with all the strength in our bodies. When we show the people that we know what is going on, we increase our credibility, and as a result of our constructive criticism the people will learn that Her Majesty's Loyal Opposition will be a reasonable alternative to the government after the next election.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I do not want to chastise the government as the preceding speaker did. I wish to talk about what I consider to be a problem which affects the role that members of parliament play as representatives of the people with respect to the operations of government.

The President of the Treasury Board (Mr. Drury) talked a lot about the idea of providing members of the opposition with more information. Mr. Speaker, I have more information here than I can ever handle. The President of the Treasury Board says that we are provided with additional information in these estimates. Mr. Speaker, if the directors of Bell Telephone or General Motors in the United States put out a financial statement similar to this, they would not last until the next board of directors meeting.

This financial statement respecting the country is not read by the general public. It is no longer even an interdepartmental document. One can no longer pick it up and find out what Joe Blow in another department is being paid. All one can find out is the general expenditures of a department, with the specifics referred to in very general terms. There is even a page for each department in the estimates with nothing but pure propaganda. These statements sound like those the CBC makes when it runs those promotionals on "I Love Me." That is what each department has.

All countries are having difficulty supervising, in a democratic way, the expenditures of various government departments. If there is one thing for which the present government can be criticized, it is that it has given up the idea of democracy. It intends to rule, and be damned to everybody else. On more than one occasion the Prime Minister (Mr. Trudeau) has told the Liberal caucus, "I am the only one who can win the next election. Therefore, if you don't like what I do, leave." The Prime Minister is telling opposition members of parliament, "If you don't like it here, leave." And he is telling us, through his supporters in the various committees, "If you don't like the way a committee is being run, get out." The only thing the government seeks from its backbenchers is their vote. By having a majority on all committees it does not need to give out information. All it needs is sufficient members to vote and pass something, and then get on to something else.

England has this problem. But in England they believe in paying attention to the expressions of the loyal opposition. Democracy will not function if questions are not asked about the expenditures of government. That is their system in England. We may have become confused in Canada by having more than two political parties in our system. This may be part of the reason a government with a majority says, "We will use our majority and, if the country doesn't like it, the country can change that majority." Frankly, I found the same attitude displayed by the previous Conservative government. But it is magnified in the present government.

I can remember only one occasion when the Prime Minister showed enough interest in the debates that take place in this House to remain in it. That was one late evening, after midnight, when he did not have any place else to go, so he dropped in here for a few hours. Government members in one of the committees this morning talked about what wonderful thing this was, particularly when opposition members, who had other plans for the Christmas holidays, may have been away in other parts of the world.

We have changed many of the procedures in this House, but those changes have not made it easier for the opposition to scrutinize estimates. I believe we will have to set up an independent agency to scrutinize estimates, and examine them in the same way as the Auditor General examines expenditures. If we are going to examine en masse all governmental estimates, we will have to make an effort to discover what policies are wrong, simply because we do not have the time or ability to do much about the actual expenditures themselves.

It is an exercise in futility for some of us to spend two or three hours, two or three times a week, for two or three months in a committee listening to some of the experts explaining items in the estimates, when we know that the government members have a majority on the committee. Unless the Fourth Estimate picks up a particular incident, the public will learn nothing about it. If the government were really serious in saying parliament should scrutinize estimates it would give us the opportunity to do so, and allow us to correct anything wrong that civil servants may have done with respect to estimates.

Members on an estimates committee should be interested in determining that there are no abuses in the expenditures covered by the various estimates. But that is not the way we do things now. We have the adversary system, with one side made up of a majority of government members. In my opinion, there have been damned few occasions when members of the opposition were able to change in any meaningful way any estimate of any department. The question of whether we should handle

estimates in this House is one that is worthy of consideration. The minister responsible for the estimates of a department had his officials before him and replied to the questions being raised. This seemed to be a satisfactory system. I would be quite prepared to listen to the argument made by the President of the Treasury Board (Mr. Drury) that we should have some estimates in the House in those 25 days allotted to the opposition, but I would agree to that only if it were in committee rather than with the Speaker in the chair.

• (1720)

Some hon. Members: Hear, hear!

Mr. Peters: It seems to me that if we could correct one or two problems a year in a particular department, we would be doing an excellent job on behalf of the public. Let us not fool ourselves. The general public knows nothing about the estimates and expenditures within a department. The general public is given the information that the total expenditures for the nation are so much and each person is concerned with what it costs him.

The same is true in every municipality. I am sure that hon. members will be faced with this problem everywhere they go, particularly in respect of rising education costs. Nobody seems to be able to do anything about it. I am sure in the provincial field the same holds true; the general public continually objects to large expenditures in certain fields but has no way of doing anything about them.

Mr. Speaker, it is a fact that members of parliament have absolutely nothing to do with the estimates prepared for Parliament by various departments. I cannot remember, over the last three or four years, when there was ever one dollar changed in those estimates. I cannot remember when there was an amendment to the spending of $7 billion or $8 billion in the period allotted to discussing estimates. I cannot remember when there was one opposition amendment to those expenditures that was either received or accepted in this House. If there were changes, Mr. Speaker, they were made by a cabinet minister increasing the estimates in his department, not correcting something that might have been overlooked in their preparation.

In the estimates before us today, Mr. Speaker, we see a number of transfer payments. Parliament, in a previous session, has already passed estimates but the money was not used, so there is now a dollar vote transferring it from one year to the next. This is being done for many departments. The amount that is being transferred by the estimate of one dollar may be $50 million. Here, for an extra dollar, you can get $50 million!

In the United States, where they use the committee system, it is the practice that every member on a particular committee has an equal right. They are not committed to the defeat of the government, nor are they committed to the maintenance of the executive who prepared the budget for their consideration. They face a problem as they see it; they make the comments they wish to make; they make changes and, on a number of occasions, to my knowledge they have substantially reduced the request of the executive for money in many fields. They can do that in the United States because in their committee system members are not committed to either upholding or defeating the government. We do not operate on that system, but many members of this House are confused because of their great adherence to our committee system.

Today 15 committees were meeting for organizational purposes, starting at 9.30 a.m. this morning and running until later this evening. It is not unusual, Mr. Speaker, for 20 committees to meet in one day and there just are not enough people to go around. So committees cancel meetings; they borrow people from one committee to go to another. They go to a committee and say "You leave this committee and come to the other one so that you can vote." As soon as the vote is taken, those members leave and return to the original committee. Everybody moves around for the vote and then they leave.

If the general public saw how most of these committees operate, they would not be very satisfied with the system. I am sure that if you questioned your wife's budget for the next month because you were having difficulties on your salary and the alternative was to go to your boss and ask for more money, you would trim the budget here and there. That might prove easier than asking for the raise.

We have made changes and all kinds of concessions. Every time we make a concession it reminds me of a little story in one of my early school books. An Arab had a tent and a camel. The camel was standing outside the tent and he asked the Arab if he could put his head in because it was cold outside. He got his head in, and then he wanted his feet in; then the hump, and then the rest of him. Pretty soon the Arab was outside the tent and the camel was inside. It seems to me that is the way it is with the committees, Mr. Speaker. Every time the opposition gives an inch, the government is in a position to take advantage of it but we do not get any concessions from the government, except the one with which the President of the Treasury Board is very enamoured, and that is information. He will give us research people and all kinds of experts, the same as the government has. That does not seem to me to solve many problems. Our experts talk to their experts, and soon our computer talks to their computer but what about Joe back in the riding? How is he being protected by my computer's conversation with their computer, if it gets to that stage?

The thing that worries people in this country today more than anything else is that they are being reduced from human beings, from people who counts, from people in a democracy who have a right to elect people to represent them, to a social security number.

Some hon. Members: Hear, hear!

Mr. Peters: If they are not being represented by us in regard to these budgetary expenditures, I think the day will come when confrontation in the streets will be their answer to the problem.

• (1730)

[*Translation*]

Mr. Fernand-E. Leblanc (Laurier): Mr. Speaker, I would have found it difficult to refrain from speaking on the motion moved by Her Majesty's loyal opposition, a motion which is so general that it does not contain anything. In

fact, it blames us but without stating precisely in which area we have failed to do our duty and caused waste.

I thought that the basic role of Parliament was to approve budget expenditures. However, it seems that the opposition does not agree with Parliament sovereignty, with the adoption of its estimates and when I notice that the motion refers to waste I believe that today is a total loss since I doubt we can reach our objective by debating such a motion.

The opposition might have moved a more flexible and more accurate motion aimed at a specific department, blaming it for its management and proving it. It would have been much easier for the party in power to defend its position.

I do not think we can defend ourselves in any area when the government is condemned for mismanagement in such general terms. In my opinion, Parliament should be blamed since it is its responsibility to approve the country's expenditures. If waste does exist, Parliament should be blamed for it and, of course, that includes opposition members.

Parliament is also urged to take steps but I do not know which steps we could take to improve the study of the estimates. I do not believe that the hon. member for Peace River (Mr. Baldwin)—whom I hold in high esteem—is suggesting that every member of the House should be an auditor on the same basis as the Auditor General. Someone is policing the government's expenditures and I do not think it would be in order for hon. members to interfere in the Auditor General's work or to take his place by themselves becoming auditors.

In that case, it would be very difficult, if we spend more time than we do now dealing with the estimates, to pass legislation to improve the standard of living of the people.

The Auditor General, in his report for the fiscal year ended March 31, 1970, page 1, describes his terms of reference as follows:

> The Auditor General shall report annually to the House of Commons the results of his examinations and shall call attention to every case in which he has observed that
>
> (a) any officer or employee has wilfully or negligently omitted to collect or receive any money belonging to Canada,
>
> (b) any public money was not duly accounted for and paid into the Consolidated Revenue Fund,
>
> (c) any appropriation was exceeded or was applied to a purpose or in a manner not authorized by Parliament,
>
> (d) an expenditure was not authorized or was not properly vouched or certified,
>
> (e) there has been a deficiency or loss through the fraud, default or mistake of any person, or
>
> (f) a special warrant authorized the payment of any money,
>
> and to any other case that the Auditor General considers should be brought to the notice of the House of Commons.

I think then that the terms of reference of the Auditor General are clear enough and I believe that neither the motion now before us nor the amendment can significantly contribute to the control of government expenses since there is already an agency entrusted with this particular job which operates conscientiously considering the results of its work and its annual reports. I am referring to the Committee on Public Accounts which is under the chairmanship of a member of the opposition.

Since 1968, two important changes have occurred in the procedure for reviewing estimates: First, all estimates are referred to committees and second, as was mentioned earlier by the President of the Treasury Board (Mr. Drury), there has been a revamping of the estimates form of presentation. This form of presentation has been studied in depth by the Committee on Public Accounts and the present one has been unanimously approved.

Prior to 1968, a committee, known to this House as the committee on supply, used to meet in the House itself. Almost 200 hours could be allotted to reviewing the estimates.

Today, the opposition complains that it has less time to carry out this review. I have made some calculations myself which I would like to convey to the House, proving that today the opposition, besides the 25 days allotted to them to debate supply, can still manage to spend 1,248 hours on this review. This, is how this result has been obtained: Sixteen committees sitting at least twice a week will be studying the estimates according to the orders of the day, which makes 32 meetings of roughly three hours each, that is to say 96 hours; if those committees sit during the months of February, March, April and May, 13 weeks all told, this comes up to a total of 1,248 hours of work alloted to the estimates.

Furthermore, of the 16 committees, two include 30 members and 14 include 20 members, which adds up to 340 members. In other words, some members will evidently have to sit on more than one committee, as indeed I and several of my colleagues and hon. members of the opposition do.

All hon. members who sit on committees are able to ask questions from officials and ministers who appear before them to explain the basis and the objectives of the estimates. I do not see how a member of the House can complain of being unable to study the estimates, for he has every opportunity of doing so. If a minister is called upon to give evidence before a committee and there is not enough time for hon. members to ask questions about the estimates under consideration, the minister and the public servants accompanying him are recalled by the committee—the committee comprising representatives of the opposition parties and of the government party—in order to comment on those estimates.

• (1740)

Therefore, I do not see why there are complaints, Mr. Speaker. One should make a distinction between consideration of the general estimates, which are tabled in February, and the supplementary estimates, which are tabled twice a year, that is in March and in December. This difference being taken into account, we might have to increase the number of sessions if we want to be able to consider everything that is referred to this committee.

As chairman of the Committee on Miscellaneous Estimates, I think I have reasons to believe that hon. members, even those on the government side, sometimes show indifference when time comes to study estimates. In the past, the committee sat when only four hon. members of a total of 20 were present including only one opposition member. Some will complain that there is not enough time to consider the estimates. That is beyond my under-

standing. I do not see how one can complain of such a situation when one can readily settle the problem by other means.

Such a motion, I feel, should have been introduced in the procedure and organization committee. The very object of this committee is the study of House and committee procedures and I think that instead of taking the time of the House on a motion as vague and, I believe, as useless as this one, it would have been better had it been introduced before the standing committee of the House whose responsibility is precisely to study problems of this kind.

Today, we could have discussed more interesting questions. All together, we could have thoroughly studied the estimates of a single department, for instance. It has been suggested that when the opposition's 25 days are used up it might be advisable to meet in committee of the whole for detailed scrutiny of the estimates of any particular department. However, it can still be considered that the estimates for the same department can be thoroughly examined in an already existing standing committee.

At the time when the Standing Orders of the House were altered, Parliament voted in favour of the changes, and I for one feel the new rules have been quite adequate, since we have been able to release the House from the work of examining estimates, thus allowing us more detailed study of bills.

I am surprised that the Creditistes seem to approve the motion and the amendment because in the three committees to which I belong, the Miscellaneous Estimates Committee which I have the honour of chairing, the Finance, Trade and Economic Affairs Committee and the Public Accounts Committee, I have yet to witness regular attendance of Creditistes to study estimates referred to those three committees.

I understand that they are not many, and they will be fewer still after the next election. However, when they are appointed to a committee, they should at least try to attend the meetings, because on the committees I have mentioned, at least one Creditiste is appointed. They should consider it their duty to be present, particularly in committees dealing with economic affairs, which are of the highest importance. It seems that the social credit theory clashes with the procedure of the House of Commons, and they are not happy to sit in on committees; they prefer practicing demagogy—inside the House—

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member but his time is expired.

[*English*]

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, in speaking to this motion I do not intend to indulge in a shell game with the President of the Treasury Board (Mr. Drury). Suffice it to say that in the six years I have been here, total government expenditure has more than doubled—from $7.2 billion to $15.7 billion. This is borne out by the handy little booklet the hon. gentleman caused to be distributed at the same time as we received the estimates.

I agree that to talk in global figures at this time might not accomplish what we have set out to do here. I submit there has been mismanagement and waste by the government. In support of this contention I intend to deal specifically with one agency of the government, namely, Information Canada, which ironically tabled its first annual report today. Without going into detail concerning this report, which could itself be the subject of further debate, I would say that its form is specious and basically flim-flam. Though colourful in style, it is empty in substance, trying to flesh-out a skeleton and instil life where there is no purpose.

When the political archeologists sift through the sands of the just society, if they find any trace of Information Canada at all they will have found in capsule form the dreams and despairs of that society. Embalmed with the dried-out petals of flower power, the remains will be mute testimony to the frustrated hopes and disappointed expectations of thousands of Canadians who happened to live during the Trudeau era. They yearned for a new era in politics: they got parliamentary profanity. They wanted compassion, but they were fed into a computer. They hoped for substance and sensitivity: they received the style of a shrug and a smile. Vacillation, indifference, task forces, surveys, waste and policy vacuums were the telltale mark of the day.

Where better to see this story than in the birth and the life of Information Canada? But, really, what should we have expected from an agency which was a pet project of the Prime Minister (Mr. Trudeau), conceived in haste with a troubled pregnancy and subjected to an induced and troubled labour. And to compound all these problems we had as midwife Mr. Jean-Louis Gagnon. There was naturally going to be a retarded growth with these ingredients, not a retarded growth in terms of cost or size but certainly a retarded growth expressing a feeble function and one deficient in purpose.

Doubts about the purpose of Information Canada and fears regarding its function as a propaganda tool of government were crystallized by the appointment of Mr. Gagnon, a former propaganda chief of the Liberal party in Quebec, as director-general. This is where the Prime Minister made his first basic mistake in his tenure of office. He failed fully to appreciate the human factor in the appointment and the seeds of suspicion which the appointment sowed—for without reference to past associations or former political friends, the appointment of the chief of the new agency should have been an appointment beyond reach of suspicion, like Caesar's wife. He should not only have been pure, but he should have been above suspicion. Here, there was certainly suspicion, the same type of suspicion as if one appointed Yves Geoffroy as head of the penitentiary service. We would know he was doing a job but we would wonder who he was doing the job on.

If my remarks appear unduly harsh, I invite hon. members opposite to look at the record. The report of the task force was tabled on November 4, 1969. The announcement of the creation of Information Canada was made on February 10, 1970. Much to the surprise of some, this was the only parliamentary framework within which we had to work in so far as Information Canada was concerned since there was no legislative proposal which Parliament

could scrutinize on an annual basis. By April 1, 1970, Information Canada was in operation.

• (1750)

The annual report of Information Canada was filed today. We know it went into operation, without any parliamentary approval, in 1969-70. In the estimates for that year there appeared a supplementary estimate of $1 million. The first item that appeared before the Miscellaneous Estimates Committee relating to Information Canada was an estimate of $2.1 million. I have tried to trace the estimates year by year following that, but the picture is confusing because there were two revolving accounts affecting the exhibition commission.

However, as shown in the estimates, Information Canada, having started with a $1 million supplementary estimate followed by a $2 million budget at the end of the first fiscal year 1969-70, grew in 1970-71 to an approved estimate of $7,910,000, and in 1971-72 to a proposed expenditure of $8,700,000 with a supplementary estimate of $456,000, for a total approved budget of $9,156,000. Then in the current year the estimate shows a growth to $10,354,000.

Meanwhile, the number of employees grew—from 377 in 1970-71 to 403 in 1971-72; and for 1972-73 the number is close to 500. While this growth was taking place, the duplication that was supposed to have been avoided and the savings that were supposed to have been made proved baseless. In other departments informational agencies also increased in size. So from the answer in the return given the hon. member for Surrey-White Rock (Mr. Mather), it appears that on November 16, 1970, the number of employees engaged on informational services work prior to Information Canada was 950, and since Information Canada was formed has grown to 978.

Following all this growth, the House of Commons and people of Canada have been exposed to the confidential memo of the deputy director-general outlining the present lack of policy, purpose and direction of Information Canada. I could refer to many quotations in support of this, but it is clear there is no policy. As reported in the *Globe and Mail* of March 2, Mr. Phillips stated in his confidential memo:

> The record of the past six months . . . leads one to conclude that it is urgent to consider some projects to justify our budget and existence.

He then refers to a policy vacuum and says that planning has come "to a virtual standstill." Not even preliminary work has begun, he said, nor can it begin without guidelines relating to organization and other policies. Then he talked about many other gaps existing in planning and direction. I think the most interesting statement is this, and it relates to the estimates. He said:

> With only about six working days left for the submission of our financial forecast—

As I have indicated, this already shows a substantial increase in amount.

> —not even preliminary work has begun, nor can it begin without guidelines relating to organization and other policies. This should ordinarily be a job lasting at least one month.

I do not have time to refer to other quotations, but it is clear there has been a growth in expenditure and in

[Mr. Nowlan.]

personnel, while other informational agencies of the government have also been growing. Let me quote the two laws of Parkinson which I hope the minister responsible will heed. The first is that work expands so as to fill the time available for its completion. I think the memo of Mr. Phillips to Mr. Gagnon supports that first law of Mr. Parkinson. The second law of Mr. Parkinson is that expenditure rises to meet income. Certainly, when the deputy director-general of Information Canada says that they have to get plans in order to spend money to justify their existence, you wonder what is happening to the expenditure of public funds in Canada. If this is happening with Information Canada, the pet hobby of the Prime Minister, what is happening in other Crown agencies where millions of dollars are being expended?

Let me read more about the second law of Parkinson, and I trust the director general and the minister responsible will take note of it:

> It is the paradox of administration that fewer people have less to do and more time, therefore, in which to think about what they are doing. When funds are limitless, the only economy made is in thinking. The worst inefficiencies do not stem from a lack of funds but from an initial failure to decide exactly what the object is. It is this muddled thinking that leads to waste, and often to waste on a colossal scale. Towards eliminating public waste an essential step is to reduce the total revenue. Officials are less inclined to squander what is not there.

I commend the two laws of Parkinson to those in Information Canada who, on their own admission in the internal memo of Mr. Phillips to the director-general, do not really know how properly to spend the taxpayers' dollars. If there was any question that Information Canada has a purpose, why has it not been delegated to deal with the advertising campaigns of various departments of government? The government campaigned to tell Canadians how to fill out a census return, and this cost $798,000. The government campaigned for the Manpower Department, at a cost of $392,000; and to tell Canadians that they would have a new Unemployment Insurance Act it spent $585,000.

These advertising campaigns, which are not political but are more of a functional and administrative nature, should come within the ambit of Information Canada if this body is to have any basic design for its existence. Instead of this, the money was doled out to friends of the government in a complete violation of recommendation No. 13 of the task force report which stated there should be established, amongst other things, an independent board composed of advertisers and representatives of the media to deal with government advertising campaigns.

My time is limited, but there are many recommendations I could make of a positive nature. However, I leave this thought with the House: Let us do something different. Instead of squandering millions of dollars on Information Canada—$10.3 million to date—let us look at some real participatory democracy, in which the Prime Minister says he believes, to say nothing of parliamentary democracy. The Prime Minister proved this when he established research funds for the opposition parties. In the speech from the Throne in September, 1968, and in the statement he made on November 15 of that year he said, somewhat fleetingly, that he believed in parliamentary and participatory democracy.

But what has happened since? The annual funds allotted to members of the official opposition amount to $125,000, to the NDP $35,000, and to the Ralliement Créditiste $35,000, for a total of $195,000. Subsequently the Liberal caucus, which is basically a body of about 40 Liberals who do not have a position as parliamentary secretary or minister, received $130,000. This amounts in all to $325,000.

Mr. Deputy Speaker: Order. It being six o'clock, I do now leave the chair to resume the same at eight o'clock p.m.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Nowlan: Mr. Speaker, just before the supper recess I suggested that instead of wasting money on Information Canada—and I documented how money had been wasted since Information Canada was conceived—we should shift attention and financial resources to the sort of research facilities that a former prime minister in one enlightened period made available to opposition parties. I suggest that this would give us not only a better informed opposition but a stronger government, because with an informed opposition there will be a strong government and thereby the public will be better served.

I also said that the funds allocated back in 1968-69 for opposition parties totalled $325,000. I showed how that amount was divided among the parties. These amounts to be expended solely on salaries of staff members of professional status—economist, sociologist and jurist; the sort of people the Prime Minister hopefully stipulated would be employed—have remained without increase throughout the 1969-70, 1970-71 and 1971-72 budgets. I suggest that Mr. Speaker has not been able to recommend that these employees should receive the annual 6 per cent or 7 per cent increase granted to other House of Commons employees. Although all four research branches have requested translation facilities, these facilities have been constantly refused. This, surely, is contrary to the principles of the bilingual policy enunciated by the Prime Minister and carried out by the Secretary of State (Mr. Pelletier).

I ask you, Mr. Speaker, to contrast this treatment with respect to research facilities available to us in this House with the figures of the annual budget of the Prime Minister's office over the last three years. The amount of $110,000 has been deducted from figures in the estimates to cover expenditures for the maintenance of the Prime Minister's residence, for his salary and car allowance, and for allowances to former prime ministers. We arrive at the following expenditures for the Prime Minister's office, exclusive of any supplementary expenditures: for 1970-71 there is $989,000, for 1971-72 we have $1,078,000, and for 1972-73 we have $1,095,000. These sums, of course, are exclusive of salaries of members of special inquiries, of task forces or of amounts paid to contract workers who report to the Privy Council in aid of the Prime Minister's office.

I ask hon. members to contrast the amount of money available for opposition research facilities in the federal Parliament with the amount that was made available for opposition parties in the Ontario legislature in 1972-73. In that legislature, Mr. Speaker, the official opposition happens to be the Liberal party, thank goodness. That party received $200,000. The NDP received $191,000, making a total of $391,000 for both opposition parties, which is more than the total of $325,000 made available in this House for opposition parties.

If one adds to that sum the $486,000 which is available to members of the government caucus in the Ontario legislature, one will see that in the Ontario legislature $877,000 is spent on research facilities, compared with $325,000 spent here. It may be added that these amounts represent increases from the original sums granted because the value of the service to the parliamentary process has been proven. In the result, Mr. Speaker, the two opposition parties in the Ontario legislature receive for research facilities double the amount received by the three opposition parties in this House, plus $1,000.

The research branches of the opposition parties have more than proven their worth and their contribution to the parliamentary process as that contribution and objective has been defined by the Prime Minister. Information Canada, on the admission of its second-ranking deputy and of the Prime Minister, has not proven its worth. That body, I suggest, has not fulfilled the function expected of it. I suggest, Mr. Speaker, that our decision-making process can admit of only one course to be taken. I would hope that future expenditures in this area would be frozen and that funds would be switched to help establish research facilities. We hope that further money will not be wasted on Information Canada.

In conclusion, I mentioned Parkinson's law before supper; I said Information Canada obeys the law laid down by Mr. Parkinson. I wish to mention another law or principle. I am referring to the Peter principle which indicates that every man rises to his own level of incompetence. Information Canada has definitely risen to its own level of incompetence. In the process, that body has obeyed another law of science, Newton's law, which says that everything which goes up must come down. I say that everything that goes in must come out. I think we should vote in support of the motion before the House and say that there has been waste and mismanagement by this government. In that way we could get rid of some people who have robbed the taxpayer of tax dollars that rightfully belong to him.

• (2010)

[*Translation*]

Mr. Gaston Clermont (Parliamentary Secretary to President of Treasury Board): Mr. Speaker, we are now considering a non-confidence motion presented by the hon. member for Peace River (Mr. Baldwin) as well as an amendment moved by the hon. member for Winnipeg North Centre (Mr. Knowles).

The motion presented by the hon. member for Peace River reads as follows:

This House condemns the government for its mismanagement and waste of taxpayers' money and urges that Parliament take

steps to exercise greater scrutiny and control over estimates and expenditures.

The amendment moved by the hon. member for Winnipeg North Centre states that the committees do only a perfunctory study of government expenditures and it recommends that we go back to the practice of past years, that is to say that certain items be considered by the House of Commons and others by the Standing Committees.

The criticisms and remarks of the hon. member for Peace River dealt mainly with generalities, Mr. Speaker. But as was suggested by the President of the Treasury Board (Mr. Drury) this afternoon, part of the increases in government expenditures are transfers or amounts being spent on cost-sharing programs.

I would like to give a few examples of increases in those cost-sharing programs as well as in transfers of funds to the provinces. Among others the amounts allotted to National Health and Welfare for the 1972-73 fiscal year total $3,831 million as compared to $1,824 million for 1964-65, which represents 24 cents out of every dollar of taxes paid by the taxpayers of this country.

As far as economic expansion or development is concerned, the estimates are $2,241 million, compared with $805 million for the year 1964-65.

As for transfer payments made to the provinces, in 1964-65 they were $358 million, compared with $1,307 million for 1972-73.

We note that in 1964-65, the government spent $28 million for education support programs compared with $667 million earmarked for this purpose in 1972-73.

Under the heading of cultural activities and leisure, expenditures now total $368 million against $169 million in 1964-65.

The estimates for 1964-65 totalled $7,218 million and $15,749 million for 1972-73. The figure I have just mentioned for 1972-73 represents 52 per cent of the estimates for this year.

I would like also to draw a few comparisons relating to the Department of National Health and Welfare. In 1968-69, expenditures for medical services amounted to $35 million and for 1971-72 to $581,200,000; in 1968-69, the federal government contributed $560 million for hospital services compared with $841,556,000 for 1971-72.

I could go on listing figures, Mr. Speaker, I will point out, moreover, that part of the estimates increase since 1964-65 results from transfers to provinces or from federal contributions to cost-sharing programs.

I would like now to touch briefly on the question of control over government expenses. Some would like to revert to old methods. I too experienced this in 1961-62. That was when the House, sitting as a committee of the whole, then known as the committee on supply, was reviewing government expenses.

In 1964-65, the votes of only two departments were referred to standing committees: the committee on veterans affairs and the committee on external affairs. And I remember, Mr. Speaker, that in 1961-62, while the government proposed to the House to review the expenditures of a department, strangely enough, one or two days later, it submitted the expenditures of another department or a new bill.

I for one prefer the method adopted since 1968 whereby all government outlays are referred to one or other of the 16 standing committees of the House. I do not understand the hon. member for Winnipeg North Centre when he says that those committees study government expenses superficially.

If I refer to a study made by the Committees Branch, Mr. Speaker, I see that during the second session of the 28th Parliament, 152 meetings were spent on the study of the various departmental estimates. Having had the honour of being chairman of the Committee on Finance, Trade and Economic Affairs, as well as a member of other committees—not, like the President of the Treasury Board, on the opposition side only, but both as an opposition and a government member—I would say that on the whole members who sit on committees are responsible people and study government expenses in depth.

I was surprised to hear the hon. member for Timiskaming (Mr. Peters) say this afternoon that in some cases debates are cut short. I have sat with the hon. member for Timiskaming and I do not think it is easy for a chairman to try and stop him from making remarks.

Now, if I refer to the third session of the 28th Parliament, I think that the 16 committees spent 179 meetings on an in-depth study of government expenses.

Over and above the committees which study estimates, we also have to consider the mechanism for checking expenses, which is the public accounts committee. This committee again considered the matter of checking public accounts last fall, on November 9 and 16, 1971, as is evidence in Issues Nos. 51 and 52 of the committee proceedings. On that occasion, the committee had the pleasure of hearing Mr. Balls, assistant deputy minister of the Department of Supply and Services, who informed us that as far as tabling public accounts for the year 1970-71 was concerned, the government had made a commitment, back in 1968, through the Minister of Supply and Services (Mr. Richardson), to table the Public Accounts of Canada on October 31 at the latest. This year, the three volumes were tabled, the last of which on November 4. Public accounts were tabled two months earlier than for 1969-70 for volumes II and III, and three months for volume I.

The Public Accounts Committee set up a sub-committee made up of a member from each party and representatives for the Auditor General, the Minister of Finance and the Minister of Supply and Services, to make a study in depth of the possibility of accelerating the tabling in the House of the public accounts of Canada.

Mr. Speaker, I feel that the formula whereby the study of government expenditures is referred to standing committees, and once those expenditures are made, their study is entrusted to the committee of public accounts, is an excellent one.

There is no doubt, Mr. Speaker, as other members said it before me, that we have to find more efficient means to improve that situation and those procedures. I see that the Auditor General is being blamed, because his report for the year ending on March 31, 1971 will be tabled late, but he gave the reasons for that delay. As a member of this House, I would have liked the Auditor General to make

his comments not to a representative of the Canadian Press but to the Public Accounts Committee, because when a minister makes a statement outside the House, the members opposite do not hesitate to blame him for doing so. He said in that statement that for 1970-71, he found more mistakes than in past years. I think that we must be realistic, especially when we note that the estimates for the financial year 1972-73 will amount to some $15 billion. There can undoubtedly be some administrative mistakes, but I think that we have the necessary tools to correct them. And if, in its wisdom, the House or the committee responsible for improving Standing Orders can find a better formula, either to consider government expenditures or to check them, I will be the first to support such an amendment to Standing Orders.

• (2020)

[*English*]

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I wish to take a few minutes to speak on the motion before the House regarding government spending and the lack of control by Parliament and the Canadian people over government spending. Because I have only 15 minutes in which to speak I should like to touch upon a topic of current interest and controversy. I refer of course to the Local Initiatives Program. I recall in the early part of October, 1971, when many questions were put by members of the opposition regarding the critical unemployment problem facing the nation, unemployment which at that time was in excess of 6 per cent despite the prognostications of the then minister of finance that we would have a decreasing unemployment rate in 1971.

I remember that the Leader of the Opposition (Mr. Stanfield) and other members of the House were constantly on the back of the government and of the Prime Minister (Mr. Trudeau), asking for early consideration of special measures to deal with what appeared to be a critical problem in the winter of 1971-72. It was not until the unemployment statistics were released in October, 1971, that the government decided the problem did exist.

I remember, when I was a youngster, reading a story in my kindergarten book about the young chicken that sat on its perch and closed its eyes thinking that nobody would notice its presence. The Prime Minister acted like somebody who did not realize that this government could adopt policies which would result in serious unemployment. He refused to face the fact. He sat there stubbornly and told the Canadian people they could either like it or lump it; they could either put up with his policies or throw him out of office in the next election. The result of that reactionary stubbornness was that at one time last year 750,000 people were out of work. Finally we got word that various ministers of the Crown had ordered their deputies and departmental officials to dust off all the drawers in their offices and come up with old projects and programs that had been laid aside during the two years of the depression which existed in 1970 and 1971.

Lo and behold, we witnessed the birth of the Local Initiatives Program which was announced on October 14. The program was born out of panic. The concept and philosophy behind it not only has the support of the Conservative party but is the type of philosophy for which the Conservative party has been known since its inception, namely, to encourage people to involve themselves in their own economic environment, to do things for themselves, to become productive and to have a share in the economy of the nation as well as to have the satisfaction of being involved.

Certainly the concept and philosophy are healthy, but the fact is that the program was born out of panic and many of the attitudes and frustrations which are experienced across the nation right now are the result of poor planning, a panic situation where the government was caught with their proverbial pants down in October of 1971. They came through with the program without proper co-ordination with the provinces and without ability to initiate a serious and sensible program to combat unemployment this winter.

The word "isolation" was mentioned several times in the Speech from the Throne and it seems to be the keynote of the speech. There is no other word that can so aptly describe some of the aspects of the Local Initiatives Program which was prepared in total isolation from the provinces of Canada. Many of the provinces had already begun their own winter works programs and they found that LIP overlapped and conflicted with them.

Also, there was little co-operation with the municipalities which are creatures of the provincial governments. They found themselves forced into the situation of having to hastily prepare programs and projects. The program was initiated in isolation from the House of Commons. There was no reference to members of the House, the representatives of the Canadian people, and in October of 1971 the announcement was made of the $100 million program which had to be increased to $150 million with no explanation to the people's representatives as to how it would be administered and implemented throughout the country.

I should like to mention generally and briefly two concerns of the Canadian people. The first is, who is benefiting from the Local Initiatives Program? On the one hand hundreds of responsible groups had the foresight and the insight to come through with constructive projects, among them municipalities, Lions Clubs, churches, schools, community councils, athletic associations and many similar organizations. On the other hand we have to admit one thing, that the communities which were best structured, the more formalized communities which had better organization and were more in contact with government programs, had a big advantage compared with small, rural communities throughout Canada. The communities that were closest to the scene, had better contacts with their Members of Parliament and were better provided with information services, had a very big advantage.

• (2030)

This past weekend, Mr. Speaker, I had a unique experience, speaking against the background of my brief experience as a Canadian. I went to Toronto. I must admit that the visit was not in my capacity as a Member of Parliament. I do not say that the people involved knew who I was. I did not advertise myself as a Member of Parliament, as John Lundrigan does, but I did visit Rochdale college. I had this unique experience, and I feel almost guilty about admitting publicly that I used a pseudonym, or whatever you call it, when I visited the Process Church

of the Final Judgment. There I observed the results of the decisions of the Canadian government whereby moneys were advanced to some of these groups. I have to say that despite my broadmindedness toward young Canadians and my eagerness to get involved in making money available to groups that can make worthwhile changes in our society, it is inconceivable to me that the Canadian people through their representatives here could be satisfied with the allocation of funds to some of these groups that are totally under mismanagement, if in fact one can use the word "management" in conjunction with their programs.

It is absolutely unbelievable that the government would allow money to flow into some of these activities and programs with no more control than it has shown to date. I tell you, Mr. Speaker, that there is absolutely no control over the way these moneys are being expended in the various communities across Canada, let alone over the way they are being expended by some of these groups that do not know where they are going and are never likely to know.

After seeing the program of the Final Judgment church and talking to some people at Rochdale college, that institution which certainly has to be questioned—a large, beautiful building that could be used to great advantage by young Canadians or by some other formal institution—I was reminded of the thousands of projects put forward by action groups, community councils, churches, schools and athletic associations across this nation but which were turned down.

In October, 1971, when the government introduced the Local Initiatives Program the authorities actually went on a rampage of phoning the churches, the colleges, the town councils, the mayors, the chairmen of local groups and committees and telling them, "Get your projects in. We will be looking at your projects."

Let me point out the way this program has been handled and the absolute frustration that has resulted from it. These groups were all activated. I know that many communities just sat there and were very lukewarm about getting involved in any type of program such as this, but they were encouraged to do so. In Halifax, for example, in the Atlantic region, the director-general phoned groups and told them to get their projects moving. In some cases these groups had formal leaders and in some cases informal leaders. They got together at public meetings, preached the Local Initiatives Program from church pulpits and from mayors' seats at council meetings. Then the communities began to advance their projects.

As the projects started to come in, the government, being very interested in showing an early impression on the unemployment statistics, began to accept almost everything that came along. Tens of thousands of little communities began to get programs under way for the provision of fire halls, parks and the cleaning-up of cemeteries. One commentator writing in a local newspaper in St. John's, Newfoundland, said they were interested in both the quick and the dead, the athletic programs and the cemeteries, which seemed to attract the greatest attention of the administrators of LIP. At any rate, these thousands of projects started to come in and finally in the month of January, with almost all their money running out, the administrators discovered they still had thousands of projects coming in. As a result, the vast majority of the projects that came in during January were turned down.

Can you imagine the frustration of a local community group or action group having its project turned down after first being stimulated and publicly encouraged to take part in the program? At the same time, groups that were turned down could point to nearby, little communities that were proceeding with a fire hall or had projects approved for other purposes. At the same time, too, they could point to some of the groups which have been exposed in Ontario during the last few weeks where projects of a very questionable nature were approved. Those who were turned down were devastated by the rejection of their programs.

All this points out to the opposition and to the Canadian people that the government's program was very ill-defined in the first place. It had no clear concept of what it was getting involved in. The program originated out of panic in October, 1971, when members of the government realized they had an unemployment problem, that they had to take some remedial action or perhaps we would have a worse situation in the winter of 1971 in terms of frustration and public demonstrations. The over-all program was ill-planned. It is very poorly administered and is causing a tremendous amount of hardship and frustration. It will have the effect of literally annihilating thousands of project leaders across Canada who caused their communities to become interested in their projects and who are now flattened by the rejection of the federal government.

I say two things are needed, Mr. Speaker. In these types of government programs, regardless of their merit, more planning has to be done. They have to be properly evaluated in order that mistakes which occurred in the past can be corrected. The second thing needed is that the representatives of the Canadian people must be given more control over this type of government spending. There is no way, as representatives of the Canadian people, that we can stand up in this House today and approve of the manner in which many of these projects were approved, no way in which we can justify money being refused to other projects without any excuse or hope for the future. To those who were turned down the government did not say, "We will reconsider your project at a later date "or," We will set up a kind of priority system whereby your project will be re-evaluated next fall." No hope at all was given.

As a final step the government will have to come up with a co-ordinated effort so that these programs will not be launched in isolation from other programs of a worth while nature. There was no co-operation with the provinces. The Premier of Saskatchewan, Mr. Blakeney, complained vigorously in December that the LIP program was not getting off the ground. From Saskatchewan they had sent in over 100 applications, only 22 were accepted and they had no word with respect to the others. There seems to have been little co-operation with the provinces. The program was not introduced as part of a major package that would stimulate the economy, put the confidence of the business community back into shape and get the whole economy moving ahead again. It was a program launched very much in isolation of the needs of the

Canadian people. Such a program cannot continue and hope to achieve major results.

A number of references have been made by hon. members in this debate, including my colleague from Egmont, to the lack of government control. We have asked that these programs be re-evaluated. Last year we had the Opportunities for Youth program. It was announced early in the spring of 1971 and was concluded at the end of the summer. An evaluation of it was undertaken. I do not know exactly how much this cost but I believe it was $32 million. We have not yet received the results of that evaluation. This year another Opportunities for Youth program was announced, with the closing date set at March 8. I repeat that we have received no evaluation from last year, and now we have another program under way. We have asked for special reference to the Standing Committee on Labour, Manpower and Immigration in order to have the program evaluated and to call before it people whose projects were rejected and, of course, people who had projects of a questionable nature.

• (2040)

I say, Mr. Speaker, that at least we should have right now a thorough exposure of these programs before the appropriate committee so that the Canadian taxpayer will see the results, learn where his hard-earned dollars go and the reason for the increase in taxes.

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, it may sometime seem too easy to criticize. Since this is our part in the opposition, government members are misled and ignore our criticism, thinking that after all we are just playing our part. This, Mr. Speaker, is a serious mistake by the government. If constructive suggestions from the opposition were accepted more often, there would be more harmony, and especially more efficiency. But there is this devilish practice of thinking that the party which has won more seats enjoys an exclusive monopoly over legislation.

So, we are quite right in rejecting all blame on the only people responsible for present difficulties—the members of the government. The nefarious results or consequences of ineffective laws, coupled with the refusal to accept either our projects or our amendments, make this non-confidence motion right and true.

Mr. Speaker, there is no doubt about the mismanagement of the government. Going from childish hesitations to dubious decisions, the Prime Minister (Mr. Trudeau) and his cabinet have managed to dissatisfy almost everybody: the unemployed, welfare recipients, workers, white collars, professionals, tradesmen, businessmen, I repeat, everybody.

We are accused, among others by the hon. member for Laurier (Mr. Leblanc) who, furthermore, did so in a pitiful manner, of making general and vague charges. No doubt the hon. member was not present when the leader of the Social Credit (Mr. Caouette) did in fact list very specific facts and circumstances. Furthermore, I intend to point them out again.

For instance, Mr. Speaker, what should one think of the famous announcement with regard to unemployment insurance, which threw dust in people's eyes with the $100 weekly benefits and which also became one more bone of contention between Quebec and Ottawa. It is a four-, five-, six-, what I am saying, seven-month delay that is imposed on the unemployed.

It seems to me, Mr. Speaker, that the government, like the other opposition parties and the Social Credit, should know that the humble worker is always waiting for his pay cheque. As soon as he becomes unemployed, it is a catastrophe. Why strike at his dignity in this way, by making him wait for weeks for something that he is entitled to, because he has paid contributions in order to be able to face unemployment periods easily foreseeable in such a badly-governed country as ours? Why those weeks of waiting? Those are so many ways taken by the government and the technocrats, as the minister admitted candidly this afternoon, to raise many hopes but to give nothing.

What should one think of this shower of money falling from the clouds where the Minister of Regional Economic Expansion (Mr. Marchand) is amusing himself. He squanders money, Mr. Speaker, as if it were going out of style. He does not worry about the consequences, sometimes disastrous, of the subsidies he grants, no planning, no true concern for progress. But what he deems important is the political capital which this may bring. As the party's organizer, did he, perchance, ask those receiving such subsidies to make a contribution to the electoral funds of the party? I would also like to say a word, Mr. Speaker, about the local initiatives projects. Theoretically they were the outcome of a good idea. Once again, how was it applied? We had to keep on fighting for the approval of serious projects while thousands of dollars crumbled under ski-doos.

Mr. Speaker, as the Social Credit leader was saying, we are not opposed to the approval of recreational projects but we are disappointed with the implementation of this program designed to create jobs during the winter and the beginning of the spring. For weeks and months there was publicity and propaganda: "Canada works". It was not working fast enough in December. Advertising was increased. All kinds of groups were formed, some of them concocting all sorts of uncanny inventions. In the meantime our municipalities were considering, developing and approving useful, necessary and even essential projects. Then the Department of Municipal Affairs in Quebec revised, ratified and sent everything to Montreal.

• (2050)

Of course, it was impossible to do all that in a few days; thus, most municipal projects were received during January, before the January 31 time limit. All goes well up to that point, Mr. Speaker, but then, things are beginning to get serious.

All this work had been done for nothing because the funds were all used up by December 30, 1971. This is dishonest, deceitful, demagogic or, as the Prime Minister once said, and I sum up his three famous words: It's God-damned fuddle duddle merde.

Our little Robert, who is short-winded, in Quebec City, is always short of money. What a splendid opportunity his Ottawa master offered him. That is how most of the funds earmarked for municipalities under the local initiatives program ended up in the large empty pockets of our little Robert in Quebec City.

Again, Mr. Speaker, it is shameful to defraud in such a way the municipalities and all the taxpayers. Therefore I fully endorse the motion which enable us to set things right.

Thus it is high time:

—that Parliament take steps to exercise greater scrutiny and control over estimates and expenditures—

as it is said in that motion.

We do all we can here to help the government with our advice, our suggestions and even with the solutions we are proposing. They already have laughed at them and they tried to attack them. They make a pretence of ignoring them, but, Mr. Speaker, nevertheless our solutions are still there.

A healthy administration can be based only on a philosophy that guarantees individual freedom while ensuring security.

There should be security on every level. It is therefore urgent to start at the beginning and reform our monetary system in order to establish an economy which is fair, human and progressive. It is our duty to correct the inadequacies, injustices and stupidities of the present financial system.

As for the population, it is willing to accept mandatary reforms. Then, I shall be asked, how is it that everyone does not vote for the Créditistes? Mr. Speaker, during the next election campaign, the steamroller of election funds will again attempt to overwhelm all opposition.

It is not the Créditiste doctrine they will be attacking. It is known that people are ready to accept its implementation, but they will resort to demagogy.

The hon. member for Laurier (Mr. Leblanc) gave me a little fore-taste of that this afternoon. He was taxing the Social Credit members with insufficient attendance at committee sittings. Besides, I notice that all government members, in their contributions, bring up that subject: the work achieved within the committees. However, the hon. member for Laurier is well aware that we cannot fraction ourselves in order to attend two, three or four committees simultaneously, committees which, moreover, operate more or less efficiently. Since we are unable to divide or multiply ourselves, at least before the elections we must voice our criticisms on the stages of the bills debated right here in the House, and that is what we are doing.

We did not convince our constituents through the use of money, propaganda, misleading advertising or—I almost said—through the support of the underworld. Only honesty, simplicity and the appeal of our doctrine convince the people. This is the greatest tribute that the people can pay to our sincerity because, Mr. Speaker, we convince the people in our constituencies through the force of conviction brought about by what we believe.

We are increasingly convinced that a great number of Canadians understand—because the present government has proved it himself clearly—that it is high time to change the system, to end this wasting of the taxpayer's money and to bring to everyone this security that we all wish we had.

[*English*]

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, the dollars and cents that have been wasted in the realm of government spending in recent years will probably never be known. Certainly it can be counted in the hundreds of millions of dollars. Perhaps in the minds of some it will ever be thus, but I am not prepared to accept the proposition or argument that this wasteful spending is something over which we have no control.

In the first place, it can be clearly demonstrated, I suggest, that inept political leadership at the ministerial level can be blamed for virtually all waste within the capital equipment spending program of the Canadian armed forces in recent years. From horses on the payroll all the way through to the DDH-280 program we have glaring examples of failure by political leaders to accept advice from professionals in the forces. We have the resultant and obvious end to which this has led us—wastage of money, purchase of ill-devised equipment and a national arts centre. Even worse, in virtually every case it can be very clearly demonstrated that inept political leadership has led to these bad decisions being made.

The mid-life overhaul of the *Bonaventure* is a classical example in which we saw responsible ministries of government fail to tell what I consider to be the full truth. They preferred to let professional serving officers and non-officers take the blame. It is to this waste and avoidance of public responsibility that I wish to direct a few thoughts in today's debate. Going back to the Bobcat, there was a wastage of $9 million. We purchased 115 CF-5 aircraft at a cost of $1,114,000 each. Incidentally only about 11 per cent of that program was put up for tender. What did we do with these aircraft? We have some in storage, we sold a few to Venezuela and some are being used for training. Their operational use is in question. Indeed, they were bought against good military advice. What have we done to compound this mistake? We have ordered an additional 20 aircraft. If they were no good in the first place, why are we buying more?

I think we must deal with the *Bonaventure*. This is probably as good a place as any to set out one case that may stand: I hope in fact it does stand as an example and substantiation of the claim that it is not always the professional public servant or professional soldier who is to blame. Prior to the calling of tenders in the mid-1960s for the mid-life overhaul of the *Bonaventure*, professional, naval and civilian engineers and other support staff in the dockyard at Halifax carried out a work requirement or job order. They advised DND headquarters in Ottawa that the mid-life overhaul would cost approximately $14 million. That was not good enough. Instructions went back to these professionals instructing them not to change the job requirement but to substantially reduce the dollar content. Back came a revised estimate and another directive went to Halifax to substantially reduce it. Back to Ottawa came an estimate of $8 million, which the Canadian public will recall was the amount at which the overhaul contract was let.

What was the final cost? Two figures are being quoted around the country. I am not certain which is correct. One is $14 million plus, and the other is $17 million. In any event, the point is that DND HQ was advised of the approximate dollars and cents cost and the government, for political purposes, instructed the professionals to reduce it. How can we continue to live in a country that tolerates this practice? Many Canadians, including

myself, are fed up with the incompetent political leadership that permits this to happen.

Some hon. Members: Hear, hear!

Mr. Forrestall: The manipulation of professionals in the public service and the Canadian armed forces by incompetent political leaders is morally wrong. Because of actions like this the government will find itself out of office. The story of the *Bonaventure* has been a black eye, if you will, on the Canadian armed forces ever since the incident. But it is not the professionals, it is not the serving officers, it is not the five men who were directly involved and who got the axe one way or the other; much more directly it is the result of inept political leadership.

• (2100)

Perhaps even more glaring is the question of the final cost of the DDH-280 program. In 1968, estimates for this program were set at $170 million or thereabouts. Here again, there were half a dozen different figures given. No one knows what the figure was. I could mention one as low as $140 million. In any event, in 1966 there was a figure of $170 million estimated to cover the total cost of those four ships. To date those ships have cost Canadian taxpayers $282 million, and the ships are still in the river yards; they have not gone down to the Atlantic Ocean where they will serve. Worse, there is no way of getting an indication from the government of the final cost of this program. It is a simple question of how much will these four ships cost when turned over to the commander of maritime command for operational purposes, with the keys in the ignition and the supplies and crews on board?

We cannot get an answer to that question. These ships will go to Halifax. They will be finished there. Work will be necessary following sea trials. Work not finished in the river yards will have to be done at the dockyards in Halifax. While I have no doubt about the ability of the tradesmen and the professional people on the east coast to complete this work, I begin to wonder to what extent the Department of Supply and Services let the river yards off the hook with respect to the moral obligation they had to complete this program. How much have they got away with? Who knows? I doubt that anyone will ever know.

No information as to the final cost has been forthcoming from either the Department of National Defence or the Department of Supply and Services. Are they afraid to admit that not even they know what the final cost will be? Do they believe that Canadians are blind and stupid and cannot understand or accept the truth even though it may hurt a little? I say to the political leaders across the way that it is not themselves they are protecting; rather, it is the professional officers whose reputations they are damaging.

In the case of the DDH-280 we have probably the finest ship of its kind in the world. Why do we not say so? Why do we not admit that mistakes were made, that the prime contract was ill-conceived and entered into without proper consideration? Why do we not admit we have made mistakes and tell the public that we are not sure what this program will cost but that everything is being done to keep costs in line? But the government does not do this. The government prefers to procrastinate, to be evasive, to mislead, to protect its political hide at any cost. The government will never tell the Canadian public the whole story.

In this case the Minister of Supply and Services (Mr. Richardson) should give us some answers. As was mentioned by the hon. member for Winnipeg North Centre (Mr. Knowles), perhaps after all our experimentation with the committee system it is right here in the House, in committee of the whole, that Parliament will become effective. This is where we may learn the full answers to our questions. We shall not get them in committees which are understaffed and poorly administered with respect to timing. I think it is time we paid a little more attention to this chamber because perhaps in committee of the whole extravagant, wasteful decisions, decisions made for political purposes against the advice of professionals in the various departments, can be avoided.

I can suggest no better place to start than right here. Otherwise, there will continue to be waste to a degree which is not acceptable to the public until there is more frankness, more honesty and more concern about the work we are trying to do on behalf of Canadians.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker—

Mr. Skoberg: Go to it, Alf. They are spending all your taxes.

Mr. Gleave: I hope the House has carefully noted my cheering section.

An hon. Member: Hear, hear!

Mr. Gleave: I think the official opposition has done well by bringing in a motion saying that the actions of the government should be more carefully scrutinized. Our approach is also one of examining expenditures to bring them properly before committees so that they can be thoroughly considered.

I wonder whether Canadians realize how many programs are carried out without examination either by the House in committee of the whole or by standing committees. For example, the government spent something in the neighbourhood of $80 million on the Lift program simply on the basis of an estimate. This spending was not examined thoroughly. They made payments to farmers and then said to the same farmers, "All that money was not really due to you. We want some of it back." Then on occasion they changed their position and said to the same farmers, "Sorry, but we are wrong again. Do not bother to send anything back." Obviously there was poor bookkeeping here or inadequate guidelines. The method of payment was never really understood by some farmers. In many instances they did not know what the basis of payment was.

• (2110)

We were presented with a similar kind of program under the stabilization bill. As responsible members of the House sitting in committee of the whole we said we were not prepared to accept the bureaucratic approach taken by the government, and in turn we were told we were obstructing parliament. Time after time during the short while that I have been in this House, when opposition members have demanded to know how money is being spent and what effect programs are going to have on the

people, we have been charged with being obstructionist, with preventing the government from getting on with its business, even to the extent that the Prime Minister (Mr. Trudeau) said that those who sit on this side of the House are, as far as he is concerned, nobodies. I can well understand, in view of the actions of the government, that the Prime Minister really believes that.

I have watched the operations of two government programs, Opportunities for Youth and more recently the Local Initiatives Program or LIP. In these two cases the programs have been financed simply by an estimate and without legislative approval or proper guidelines have having been laid down. As a result, people who participate in the programs, have had to wade through yards of red tape. Decisions have been delayed. Decisions are being made in the month of March in relation to programs that were prepared early in the winter and are going to expire in May. A senior citizens' group in the city of Saskatoon asked for some money under the Local Initiatives Program to rebuild an old hall that they had been using for recreational purposes year after year. The hall badly needs remodelling, as well as needing new chairs and furniture. Their application was turned down.

In my constituency I have taken the trouble to write to all organizations that made application for funds to determine whether their applications were accepted or rejected. That was the only way I was able to find out. Certainly you cannot get an up to date reading from the government of what is happening in one's constituency. Last summer I talked to people in my constituency who were taking part in the Opportunities for Youth program. I wrote to all organizations and finally wrote to the minister's office asking for an accounting of what was happening in my constituency and for an evaluation of the program. In effect, the minister said yes, there would be an evaluation of the better projects but not of the whole program. I think that is shameful.

I have before me a letter from Mr. Gray, one of the officials of the senior citizens' group to which I referred. He wrote that he was sorry that their application had been turned down. Then, speaking of the hall, he wrote:

—the present hall that the senior citizens have is 80 years of age. I think the same chairs are in the hall. I do not think there is a cushion on any chair in any way whatever ... It must give the older people a wonderful feeling to know the chairs they are sitting in are the same hard seats that their grandmothers sat on—

This organization has been denied the few thousand dollars it takes to give the senior citizens of Saskatoon a comfortable place in which to enjoy themselves in their old age. The people of that generation built this country. Although the government has money to throw around here and there, causing the Ottawa *Citizen* to call the program a disgrace, none of it is spent on these people.

This morning the Standing Committee on Agriculture held its first meeting. Since I have been in the House, this committee has worked hard examining the estimates and legislation that has come before it. Yet what did the ruling party try to do in that committee this morning? They wanted to pass a bylaw to the effect that there does not even have to be a quorum for the committee to examine witnesses coming before it.

The government does not even want to honour the organizations appearing before committees of this House with a full attendance of members to ask questions and to hear what they have to say. We spent one hour during our first organizational meeting arguing whether or not there should be a quorum at all times when the committee was sitting. Surely, if a committee is set up it should have a quorum. If it is prepared to sit without a quorum, then I would question whether the committee should be set up at all.

I have been in committees where we have had to fight for information, for the opportunity to hear witnesses and representatives of the farmers from the agricultural communities of Canada give their assessment of what should and should not be done in terms of legislation. As the admendment to the motion says, we must put our committees on a proper basis by providing adequate committee time, space and services and we should consider certain estimates, those of greatest importance, on the floor of the House in committee of the whole. We must remember that we are responsible for spending the taxpayers' money. When we take from those who earn $10,000 or $12,000 a year about 30 per cent or 35 per cent of their income in the form of taxation, it is only fair and reasonable to give them the right to know where and how their money is spent.

Although we are spending large amounts on temporary programs, the city of Saskatoon has to plead for money to build a proper and permanent air terminal. This should have been rebuilt last year. The Department of Transport is going to spend the magnificent sum of $350,000 this year, but what can you do with $350,000 when what you need is an enlarged air terminal? An enlarged air terminal would be a permanent improvement and very useful to Saskatoon. We do not even have adequate transportation for grain from the Prairies to the west coast. All that is needed to provide this transportation is the money to build more track and boxcars, but this money is not forthcoming.

• (2120)

We need to examine fully and completely, in committee of the whole or in a standing committee, how the taxpayers' money is being spent. We must see that this money does long-term as well as short-term good in providing benefits for Canadians.

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker—

Some hon. Members: Hear, hear!

Mr. Jerome: —I am a little nervous to be on my feet and facing the august cheering body to which the previous speaker referred without having the usual number of supporters in front of me. I might go astray; however, I will try to stay on the topic we are discussing.

Before embarking on the main body of remarks that I wish to make in this debate, may I say that I cannot help but sympathize with the hon. member for Saskatoon-Biggar (Mr. Gleave), who just spoke, in his appraisal of this morning's proceedings before the Standing Committee on Agriculture. Those of us who were attending and hoping to get on with the business of other committees expected to see a brief organizational meeting of that committee. For myself—and I speak as an urban member—it was the

first exposure to the proceedings of the agriculture committee, proceedings which became renowned during the period in which the committee held a birthday party with respect to one of the bills before it.

I know that if the hon. member had been given more time to expand on that theme he would join me in saying that his criticisms are not the result of any fault of the government. It is a pity that the hon. member for Crowfoot (Mr. Horner) is not in the House, because the destruction of the work of that committee is a result—an achievement, if you want to call it that—which can be laid at his feet. The blame must be laid squarely at his feet. I am sure that the hon. member, if he has the interests of the farmers of this country at heart, will be dismayed at the manner in which that man destroyed the work of the committee and made a shamble of it. And that is not the fault of the government.

Some hon. Members: Hear, hear!

Mr. Downey: Mr. Speaker, I rise on a point of order. The hon. member who now has the floor has referred to the hon. member for Crowfoot (Mr. Horner). He has made some disparaging remarks about him and spoken totally from ignorance. I do not think he was present at any time when the committee met, and his knowledge of the situation in agriculture is practically zilch. Yet he stands in this House and pretends to speak from knowledge.

The Acting Speaker (Mr. Laniel): Order, please.

Mr. Downey: I do not think he ought to do that.

The Acting Speaker (Mr. Laniel): Order, please. Would the hon. member please resume his seat? The Chair appreciates the intervention of the hon. member. However, in accordance with the rules of the House the hon. member has merely raised an argument and not a point of order.

Mr. Jerome: Mr. Speaker, I did not think I would touch a nerve so easily. I thought that the gathering opposite looked hostile, but not sensitive. If I may speak to the motion before us, it seems that it was hastily drawn up. One gets the impression, from the lack of vigour that was exhibited in the earlier stages of this debate, that the official opposition must originally have chosen some other motion for presentation today. Perhaps certain events of the weekend made it impossible for them to proceed with the originally intended motion and this one had to be substituted rather hastily.

Some hon. Members: Oh, oh!

Mr. Gilbert: Would the hon. member care to go into more detail?

Mr. Jerome: I want to direct my remarks primarily to that portion of the motion which urges that Parliament take steps to exercise greater scrutiny and control over estimates and expenditures. I do not think there is any argument that general agreement existed in this House for the changes that were introduced which resulted in the elimination of the long period of time in which estimates were examined solely in committee of the whole.

It was obvious that the former procedure, by bunching up the examination of estimates so that only the estimates of a small number of departments were examined in the time available, had deleterious effects on the general examination of estimates. The first of those effects was that the estimates of a great number of departments were not examined at all, and the second was that the bulk of work involved in the examination of estimates took place at a time when it was really too late for us to be examining estimates.

The increase in workload that this was putting on Parliament was obvious for all to see. The increased spending and increased operations of government made it impossible for Members of Parliament to keep up with the work which had to be done in that field. In any event, we came to the point in committee of the whole where it was clearly not possible for us to give close scrutiny to individual items in the estimates.

When first coming to this House in 1968 I was impressed with the members of the committee on procedure who worked on the rule changes. A tremendous amount of the talent of members of opposition parties was seen on that committee. The mover of this motion was a member of that committee, as was his colleague the hon. member for Edmonton West (Mr. Lambert) and the hon. member for Fundy-Royal (Mr. Fairweather). The hon. member for Winnipeg North Centre (Mr. Knowles), the House leader for the NDP, was a member of that committee. He has put forward an amendment to this motion. One is tempted to conclude, Mr. Speaker, that those hon. members are quick to forget. The conclusions that the committee on procedure came to in 1968 were based largely on their contributions to the committee and on their accord.

That committee reached conclusions about changes in the rules and dealing with estimates. The result is that we have dealt with estimates ever since in the way we now deal with them. The rule changes that were made permanent in 1968 as a result of the work of the committee which began in 1968 were introduced in part in this House on a trial basis in 1965. What were those changes, Mr. Speaker? First we saw the establishment of a trimester allocation of time with respect to the examination of estimates, and the adoption of Standing Order 58(14) which had the effect of referring estimates to committees by March 1, to be reported by May 31 right in the middle of the third term, so to speak.

This now means that the unfortunate timing of the examination of estimates has been as nearly as possible eliminated. Estimates are now examined during the most meaningful time of the calendar year. This change also means, Mr. Speaker, that estimates have been referred to standing committees instead of to committee of the whole House. Also, a great deal of flexibility has been introduced into the process, so that instead of examining at one time the estimates of any one department, which was the method adopted when estimates were considered in the House, it is now possible for the estimates of several departments to be examined carefully at the same time in several standing committees.

Further flexibility has been introduced into the system in that witnesses who attend committee hearings are able to testify. That flexibility certainly has been of value. This means that not only can more than one minister testify at

one time but that departmental officials can also attend. Frequently they can testify directly before the committee, sometimes in the presence of the minister or his parliamentary secretary and sometimes on their own. That flexibility I am sure did not exist in committee of the whole. Certainly we do not see it in remaining procedures involving committee of the whole House. Officials can appear in the House—that is, they can sit in the House—but they may only talk through elected representatives. In the House an hon. member cannot question an official directly, whereas in a standing committee he can. That is certainly of benefit to hon. members who are serious about examining estimates.

Another important effect, Mr. Speaker, of the flexibility that has been introduced into our committee proceedings may best be exemplified if I tell hon. members what I saw when I once attended the proceedings of the Public Accounts Committee. I was not a member of the committee and did not participate in the proceedings: I simply dropped in and watched a very important meeting taking place. At that time the government was being questioned on a certain tax agreement that it has entered into with the Ford Motor Company. Members of the opposition undoubtedly were able to ask questions about a most important subject. Present at the meeting were just about all the responsible officials who could conduct a meaningful examination into that section of the estimates.

• (2130)

The Auditor General—or on this occasion I believe it was his deputy—was in attendance. The Minister of Industry, Trade and Commerce, the Minister of National Revenue, because this matter involved a tax concession, and their officials were present. The officials of the Department of Finance, the Department of National Revenue and the Department of Trade and Commerce were all there. There was no opportunity, as had existed under the previous system, to pass the buck. I know this feature was welcomed by opposition members. The questioning was very good and very vigorous. The proceedings of the committee on that occasion were a chronicle of the maximum potential achieved in a system wherein the estimates of various departments are examined in a meaningful way before a standing committee.

The rule changes, upon recommendation of the Public Accounts Committee and the Auditor General, led to better preparation and presentation of the estimates, the result being that members were in a position to compare the figures with those of the previous year, those estimated and what was actually spent in the previous year. Any member who wishes to conduct a thorough examination of the estimates can do it with a minimum of difficulty. In other words, because of the rule changes that were introduced in this Parliament we have taken other important steps which should be reviewed, not the least of which is the allocation of research funds to the opposition parties. I think this fact has been largely overlooked in this debate.

What has happened in this combination is that a tremendous potential exists for expertise and specialization to be developed in the opposition parties. Imagine the effective manner in which estimates could be examined if the opposition parties would take the trouble to allocate one or two members thoroughly to study a particular subject. They could pool all the talent—I am using that word in a generous sense—of six, seven or eight members of the combined opposition parties and with their combined resources of research staff they could develop in respect of each department's estimates a team which could go into every item. There could be developed a team on each subject and each department which could undertake a thorough and meaningful examination of the estimates.

The truth is that this is not done, but that is not the fault of the system. The fact is that the research assistants are busy writing funny speeches for the Leader of the Opposition (Mr. Stanfield) or are campaigning for the New Democrats in by-elections. These are all areas to which these talents are being directed, and that is the choice of the opposition. If they want to be spendthrift and wasteful with these resources, fine—but why come here and say that the estimates are not being carefully examined? The truth is plain and clear—the facilities and opportunities exist but they are not being used to advantage. There are 25 opposition days in the three semesters in which the year is calendarised. Any opposition member who is truthful will admit that sometimes during the course of the parliamentary year it is difficult for the opposition to fill up those opposition days with a subject of criticism of the government.

Some hon. Members: Oh, oh!

An hon. Member: Nonsense.

Mr. Jerome: It is the truth. There are too many opposition days—25 is too many. But if the system were to be changed by the government so that the number of days was reduced, we know the cries that would be heard from the opposition benches to the effect that we were trampling on the rights of a democratic society.

Mr. Downey: I rise on a point of order, Mr. Speaker. The hon. member for Sudbury (Mr. Jerome) obviously has not much on his mind. I am wondering if we could relieve him by letting him know that he does not have to talk out this motion.

[*Translation*]

Mr. Valade: Mr. Speaker,—

The Acting Speaker (Mr. Laniel): Order, please. The hon. member for Sainte-Marie rises on a point of order.

Mr. Valade: Mr. Speaker, I think that the hon. member has used up all the time allotted to him, and Your Honour should now recognize a member on this side of the House.

[*English*]

Mr. Jerome: Well, Mr. Speaker, opposition members have an opportunity to participate in the debate. Why do they not get up and make a speech?

• (2140)

[*Translation*]

Mr. Valade: Mr. Speaker, I rise on a point of order—

The Acting Speaker (Mr. Laniel): Order, please. The hon. member raises a question of privilege concerning the time allocated to the parliamentary secretary, and I will

point out to him that the Chair has to time speeches and, at the same time, take into account interjections and points of order which have the effect of extending the time allocated to the parliamentary secretary.

If hon. members want to rise, as they are entitled to do, to make numerous points of order and interrupt the member who has the floor, by so doing they extend the time which the Chair has to allocate to the latter. This is precisely what is happening right now. The parliamentary secretary has the floor.

[*English*]

Mr. Jerome: Thank you, Mr. Speaker. I feel I should point out in passing that in the period between eight o'clock and ten o'clock tonight eight speakers have had the floor, only two of whom have been from the government side. In that sense it is difficult to accuse government speakers, the hon. member for Gatineau (Mr. Clermont) and myself, of occupying too much time.

An hon. Member: You do it more than anyone else.

Mr. Jerome: I did not interrupt the hon. member and I wish he would accord me the same privilege. In any event, hon. members opposite will be happy to know that I am very near the end of my remarks.

Some hon. Members: Hurrah!

Mr. Jerome: Mr. Speaker, the last step that has been taken in respect of assisting hon. members of the opposition to carry out a careful examination of the estimates has been that which was implemented two days ago on an experimental basis for this month. I refer to the new system we are trying out of scheduling committees so as to reduce as much as possible the problem of members who sit on more than one committee.

[*Translation*]

Mr. Valade: Mr. Speaker, I rise on a question of privilege.

I say it is the duty of the Chair to respect the time allowed members of the opposition, who have the same privileges as government members when it comes to expressing their views in this House.

Mr. Speaker, the hon. member has been speaking for 20 minutes, while no member of the opposition parties was allowed more than 15 minutes, including the time used up by interruptions; I ask the Chair to act impartially in this House.

Some hon. Members: Oh, oh!

An hon. Member: The hon. member should resume his seat!

Mr. Valade: You should pipe down!

The Acting Speaker (Mr. Laniel): Order. I am sure the hon. member did not want to criticize the Chair or the way in which it presides over the deliberations; destroying or criticizing the Chair cannot help this institution, I am sure. If hon. members will co-operate and allow the parliamentary secretary to finish his remarks, the Chair can give at least five minutes to the hon. member for Sainte-Marie.

Order. In view of the exchange that has just taken place, I doubt that the hon. member should ask the Chair to extend his time. Even then, he would probably not get unanimous consent, and this can only be done if unanimous consent is given by the House.

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I thank the House for recognizing, at last, that the opposition can have a few minutes at its disposal.

We are supposed to be in a just society; yet, we notice, once again, that through its vociferations, the government tries to silence the opposition, to keep it from expressing the views it has the right to express by virtue of the mandate given by its electors.

Some government members have chided me for being absent from the House; yet, I am present more often than the Prime Minister (Mr. Trudeau).

Mr. Speaker, as I have only a few minutes left, because since it has been in office the present government has been restricting our interventions through closure, I will only deal with one aspect of the motion now under consideration, that is the mismanagement and waste of the present government.

Since I did not make any preliminary comment, I would like to say that I would entirely approve some aspects of the local initiatives program if they were carried out so as to really lessen the burden of unemployment which is a scourge now raging in Canada. However, as I must be brief, I would like to expose in this House the uses made in some quarters of the local initiatives program.

I would like, for example, to mention an amount of $11,665 which, in the constituency of Saint-Marie, under the pretext of reducing under-employment, was paid to the president of the federal Liberal association of that constituency, for a project under which description of the task to fulfill is as follows: 5 jobs created. Information of the public through films is also anticipated. So, we are right in wondering whether the government is going to keep on wasting millions of dollars of the taxpayers money and this, not only in order to alleviate the burden of unemployment in Canada, but also to prepare an election campaign whose results it does not seem to expect for its policy over the past four years has been one of laissez faire, a policy of indifference toward the workers who have been plagued by unemployment since the Liberals have been in office.

Mr. Speaker, not only did the liberal government ignore the reasons why millions of dollars were entrusted to it by the Canadian taxpayers but, furthermore, if one is to believe the article I am holding, it seems—even though my friends opposite do not agree with the opinions expressed in the newspaper *Défi* of March 10, 1972—that in the constituency of the Secretary of State, who is responsible for the administration of these programs, an amount of $450,000 was awarded for local initiative projects solely for political purposes and only in order to restore some prestige to the Secretary of State who is becoming increasingly a liability for the Liberal Party and for the general public.

Mr. Speaker, I should have liked to go into more detail. I believe my friend, the former Quebec Créditiste member turned Liberal who commends this waste, when he was a

Division

Créditiste member, denounced the extravagance and waste of the government he was then fighting. And I do not believe, Mr. Speaker, that a responsible member is in this House to accept one day what he condemned the day before. At any rate I myself cannot accept such a reversal when in Canada, and particularly in Montreal, in my constituency, despite these programs aimed at purchasing consciences, unemployment constantly increases.

Mr. Deputy Speaker (Mr. Laniel): Order, please.

• (2150)

[*English*]

It being 9.45 p.m., it is my duty, pursuant to section 9 of Standing Order 58, to interrupt these proceedings and forthwith put every question necessary to dispose of the motion before the House. Accordingly, the question is on the amendment of the hon. member for Winnipeg North Centre (Mr. Knowles). All those in favour of the amendment will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Laniel): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Laniel): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Laniel): Call in the members.

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

• (2200)

(Division No. 5)

YEAS

Messrs:

Alexander
Asselin
Baldwin
Beaudoin
Bell
Benjamin
Blackburn
Brewin
Broadbent
Burton
Cadieu
Caouette
Carter
Code
Comeau
Crouse
Dinsdale
Douglas
Downey
Flemming
Forrestall
Fortin
Gauthier
Gilbert
Gleave
Godin
Harding
Harkness
Hees
Horner
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Lambert (Edmonton West)
Latulippe
Lundrigan
MacDonald (Egmont)
MacInnis (Cape Breton-East Richmond)
MacInnis (Mrs.)
MacKay
MacLean
Macquarrie
MacRae
McCleave
McCutcheon
McGrath
McKinley
McQuaid
Marshall
Mather
Matte
Mazankowski
Muir
Nielsen
Nowlan
Orlikow
Paproski
Peddle
Peters
Ricard
Ritchie
Rodrigue
Rondeau
Rowland
Rynard
Saltsman
Schumacher
Scott
Simpson
Skoberg
Skoreyko
Southam
Stewart (Marquette)
Tétrault
Thomas (Moncton)
Thomson (Battleford-Kindersley)
Valade
Winch
Woolliams
Yewchuk—79.

NAYS

Messrs:

Allmand
Andras
Badanai
Barrett
Basford
Béchard
Beer
Blair
Blouin
Borrie
Boulanger
Breau
Buchanan
Caccia
Cantin
Clermont
Cobbe
Comtois
Corbin
Côté (Richelieu)
Côté (Longueuil)
Cullen
Cyr
Davis
Deachman
Deakon
De Bané
Drury
Dubé
Dupras
Duquet
Émard
Forest
Forget
Foster
Francis
Gendron
Gervais
Gibson
Goode
Goyer
Gray
Groos
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Hogarth
Hopkins
Howard (Okanagan Boundary)
Hymmen
Isabelle
Jamieson
Jerome
Kaplan
Laflamme
Laing (Vancouver South)
Lajoie
Lang (Saskatoon-Humboldt)
Langlois
Laniel
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
Lind
Loiselle
MacEachen
MacGuigan
McIlraith
McNulty
Marceau
Marchand (Kamloops-Cariboo)
Murphy
Noël
O'Connell
Osler
Otto
Ouellet
Penner
Pepin
Perrault
Portelance
Pringle
Prud'homme
Reid
Richard
Richardson
Roberts
Rochon
Rock
Roy (Timmins)
Roy (Laval)
Serré
Sharp
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)

Messrs:

Stafford
Stanbury
Stewart (Cochrane)
Stewart (Okanagan-Kootenay)
St. Pierre
Thomas (Maisonneuve-Rosemont)
Tolmie
Trudel
Turner (London East)
Wahn
Watson
Weatherhead
Whelan
Whicher
Whiting—114.

Mr. Speaker: I declare the amendment lost. The question is now on the main motion.

The House divided on the main motion (Mr. Baldwin) which was negatived on the following division:

(Division No. 6)

YEAS

Messrs:

Alexander
Asselin
Baldwin
Beaudoin
Bell
Benjamin
Blackburn
Brewin
Broadbent
Burton
Cadieu
Caouette
Carter
Code
Comeau
Crouse
Dinsdale
Douglas
Downey
Flemming
Forrestall
Fortin
Gauthier
Gilbert
Gleave
Godin
Harding
Harkness
Hees
Horner
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Lambert (Edmonton West)
Latulippe
Lundrigan
MacDonald (Egmont)
MacInnis (Cape Breton-East Richmond)
MacInnis (Mrs.)
MacKay
MacLean
Macquarrie
MacRae
McCleave
McCutcheon
McGrath
McKinley
McQuaid
Marshall
Mather
Matte
Mazankowski
Muir
Nielsen
Nowlan
Orlikow
Paproski
Peddle
Peters
Ricard
Ritchie
Rodrigue
Rondeau
Rowland
Rynard
Saltsman
Schumacher
Scott
Simpson
Skoberg
Skoreyko
Southam
Stewart (Marquette)
Tétrault
Thomas (Moncton)
Thomson (Battleford-Kindersley)
Valade
Winch
Woolliams
Yewchuk—79.

Division

NAYS

Messrs:

Allmand
Andras
Badanai
Barrett
Basford
Béchard
Beer
Blair
Blouin
Borrie
Boulanger
Breau
Buchanan
Caccia
Cantin
Clermont
Cobbe
Comtois
Corbin
Côté (Richelieu)
Côté (Longueuil)
Cullen
Cyr
Davis
Deachman
Deakon
De Bané
Drury
Dubé
Dupras
Duquet
Émard
Forest
Forget
Foster
Francis
Gendron
Gervais
Gibson
Goode
Goyer
Gray
Groos
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Hogarth
Hopkins
Howard (Okanagan Boundary)
Hymmen
Isabelle
Jamieson
Jerome
Kaplan
Laflamme
Laing (Vancouver South)
Lajoie
Lang (Saskatoon-Humboldt)
Langlois
Laniel
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
Lind
Loiselle
MacEachen
MacGuigan
McIlraith
McNulty
Marceau
Marchand (Kamloops-Cariboo)
Murphy
Noël
O'Connell
Osler
Otto
Ouellet
Penner
Pepin
Perrault
Portelance
Pringle
Prud'homme
Reid
Richard
Richardson
Roberts
Rochon
Rock
Roy (Timmins)
Roy (Laval)
Serré
Sharp
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
Stanbury
Stewart (Cochrane)
Stewart (Okanagan-Kootenay)
St. Pierre
Thomas (Maisonneuve-Rosemont)
Tolmie
Trudel
Turner (London East)
Wahn
Watson
Weatherhead
Whelan
Whicher
Whiting—114.

• (2210)

Mr. Speaker: I declare the motion lost. Pursuant to Standing Order, this House stands adjourned until two o'clock tomorrow afternoon.

At 10.13 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, March 8, 1972

The House met at 2 p.m.

PRIVILEGE

MR. O'CONNELL—CORRECTION OF "GLOBE AND MAIL" REPORT ON LOCAL INITIATIVES PROJECT IN SCARBOROUGH EAST

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, yesterday I rose on a question of privilege and I should like to renew it at the first opportunity today. I rise to correct two inaccuracies in a report appearing on page 4 of yesterday's *Globe and Mail* with respect to a local initiatives project in the constituency of Scarborough East. The report indicates that I gave assurances that a group known as Scarborough Pollution Probe would receive an opportunities for youth grant. I did not give such assurances, Mr. Speaker. I did assure this group, which is an excellent one doing a lot of good work, of my interest, and I am sure I would endorse any project that comes forward.

The other inaccuracy concerns the suggestion that as part of the local initiatives project for which this group did receive some funds—I endorsed that project, as all members of parliament had an opportunity of doing in their own constituencies—there would be two taped interviews which might be broadcast on cablevision or television, using the facilities of Scarborough College to produce the tapes. I simply want to make it clear that I will not be part of any local initiatives project that I endorse.

I have no complaint about the reporters responsible for the report, but I thought it was important to clarify these inaccuracies. I may well be taped by Scarborough Pollution Probe and I would be happy to be so taped, but I do not want to be part of any local initiatives project.

Mr. Speaker: Order, please. The minister has not followed up his argument or presentation with a motion, so I assume that the Chair is not required to rule whether there is a legitimate question of privilege here. In any event, I would suggest to the minister that in my view this is not a prima facie case of privilege and that the matter should not be further pursued.

Mr. Lundrigan: Mr. Speaker, since the question of privilege raised by the minister was, as far as we are concerned tantamount or similar to a statement on motions, and in view of the fact that—

Mr. Speaker: Order, please. The hon. member may think it is tantamount to a statement on motions, but from day to day I hear alleged questions of privilege which in my view are tantamount to statements on motions, and I would not think they should be considered as such. I did express the view that in my opinion this is not a question of privilege. The minister sought to correct what he thought was an erroneous interpretation of the situation. I would think that that kind of matter should not be raised in the House by way of a question of privilege, and it certainly should not give rise to a debate at this time by way of privilege.

ROUTINE PROCEEDINGS

CANADA CANCER FOUNDATION BILL

PROVISION FOR ESTABLISHMENT OF RESEARCH FOUNDATION

Mr. Hubert Badanai (Fort William) moved for leave to introduce Bill C-168, respecting cancer research.

Some hon. Members: Explain.

Mr. Badanai: Mr. Speaker, the purpose of this bill is to focus attention on the necessity of research to arrest the dreadful disease of cancer. The bill establishes the Canada Cancer Foundation to which any individual person or organization and governments may contribute money in a drive to find the cause and a cure for cancer.

• (1410)

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

*INVITATION EXTENDED BY DEPARTMENT OF EXTERNAL AFFAIRS TO UNITED STATES PRESS AND BROADCASTING REPRESENTATIVES

Question No. 132—**Mr. McIntosh:**

1. Has an invitation been extended by the Department of External Affairs to United States press and broadcasting representatives to come to Ottawa, at the expense of the Canadian public, on February 28 and 29 and, if so, for what purpose?

2. What are their names and media affiliations?

3. How many of the firms are presently represented in the Press Gallery and what is the name of the present representative of each in the Gallery?

4. Is it the intention of the Canadian Government to pay their transportation and hotel expenses?

Questions

5. Is it the intention of the Canadian Government to pay each invited guest a daily sum of money in lieu of incidental expenses and, if so (a) how much (b) for how many days?

6. Which of the invited guests accepted the invitation under the above conditions?

7. How many refused the invitation and the conditions?

Mr. Paul St. Pierre (Parliamentary Secretary to Secretary of State for External Affairs): In response to starred Question No. 132, Mr. Speaker, there are seven sections to this question. I will answer as briefly as possible.

1. A group of 10 editors and senior executives of major United States newspapers, magazines and broadcasting companies were invited to visit Ottawa on February 28 and 29 for informal meetings with ministers and senior government officials in order to give these people of the United States a better understanding of Canadian problems.

2. The members of the group were Charles Bartlett, syndicated columnist for the Chicago *Sun Times*, and other papers, Washington; Robert Christopher, Executive Editor, Newsweek, New York; James Greenfield, Foreign Editor, New York *Times*, New York; Graham Hovey, Member, Editorial Board, New York *Times*, New York; John Hughes, Editor, Christian Science Monitor, Boston; Robert Manning, Editor, Atlantic Monthly, Boston; Les Midgley, Executive Producer, Columbia Broadcasting System, New York; Stewart Pinkerton, Chief, Dow Jones Service in Canada, Montreal; A. M. Rosenthal, Managing Editor, New York *Times*, New York; Stanley Swinton, Assistant General Manager and Director of World Services, Associated Press, New York.

3. The New York *Times* is represented in the Press Gallery by Mr. Jay Walz and Dow Jones News Service in Canada by Mr. Mitchell Lynch.

4. The group was invited under the Visits Program of the Department of External Affairs. Following the practice of other countries, visiting foreign journalists are offered transportation and a per diem allowance for accommodation and meals while they are in Canada.

5. In the case of this particular group the great majority, representing as they do large organizations, preferred to pay their own expenses.

6 and 7. Organizations or newspapers invited to take part in the visit to Ottawa accepted the invitation, although in several cases, because of difficulty in timing, the organizations asked if their visit might be deferred to a later date.

Mr. Speaker, I am glad to report that the visit took place on schedule and all concerned found it a very interesting exchange of views which will, undoubtedly, help to provide a better understanding of Canada in the United States.

*YVES GEOFFROY CASE—APPLICATION FOR VISA

Question No. 193—**Mr. McCleave:**

Do any nations, faced with applications for visas from Canadian citizens, ask for information about such citizens from the Department of External Affairs, and particularly, did such take place with regard to the name used on the passport in the Yves Geoffroy case?

[Mr. McIntosh.]

Mr. Paul St. Pierre (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, the Department of External Affairs receives such requests from time to time. Generally this happens when the visa-granting nation has some reason to suspect that it is dealing with a criminal.

However, no such request was made concerning the name used on the passport obtained by Yves Geoffroy.

BEAUCE CONSTITUENCY—DEPARTMENT OF AGRICULTURE PERSONNEL

Question No. 264—**Mr. Rodrigue:**

How many people are employed by the Department of Agriculture in the constituency of Beauce and (a) what are their names (b) what position does each occupy?

Hon. H. A. Olson (Minister of Agriculture):

(a)	(b)
J. F. L. St-Onge	Sub-District Veterinarian
C. Lavigne	Veterinarian
J. D. E. Marcotte	Primary Products Inspector
L. Fillian	Clerk

Mr. Crouse: I rise on a point of order, Mr. Speaker. Late last year I placed a question on the order paper dealing with an expenditure of the Department of Public Works. It is a very simple question seeking information from the government. The question was not answered. I again placed it on the order paper at the beginning of this session. It stands as No. 68 under date of February 18. I wonder when I may expect an answer in view of the time that has elapsed since the question was originally asked.

Mr. Jerome: I will certainly look into question No. 68.

Mr. MacDonald (Egmont): Mr. Speaker, I raise again a point of order I raised a week ago with regard to question No. 156 on the order paper. This is the second time of asking. This question was also raised during the last session and not answered. Inasmuch as the Department of the Secretary of State issued a press release on this matter last month I wonder why there should be such an inordinate delay in answering such a straightforward question.

An hon. Member: That is not a point of order.

MOTIONS FOR PAPERS

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, would you be so kind as to call Notices of Motions Nos. 2, 3, 6 and 17.

COPY OF CORRESPONDENCE BETWEEN DR. A. VENNEMA AND DEPARTMENT OF EXTERNAL AFFAIRS

Motion No. 2—**Mrs. MacInnis:**

That an Order of the House do issue for a copy of the Interim Report made in March, 1968, by Dr. A. Vennema, Director of Canadian Medical Aid in Vietnam in 1967-68 and for copies of any subsequent correspondence between him and the Department of External Affairs.

[*Translation*]

Mr. Gaston Isabelle (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, all experts, such as Dr. Vennema, who perform a particular service under contract to the Canadian International Development Agency, submit reports on their respective projects as a matter of routine. These reports and other correspondence are submitted on the understanding that they will be treated as confidential and privileged documents. If these experts felt that such documents could be made public they would be reticent about making meaningful comments that would help in the effective implementation of Canada's aid program. For these reasons, I ask, with regret, that the hon. member withdraw her motion.

Mrs. MacInnis: I am very sorry, Mr. Speaker, but I cannot accept the parliamentary secretary's reply.

[*English*]

Mr. Speaker: Shall I put the motion?

Some hon. Members: Question.

Mr. MacEachen: Transfer for debate.

Mr. Speaker: Transferred for debate.

* * *

COPY OF REPORT ON UNITED STATES INTERNAL FOOD-AID PROGRAM

Motion No. 3—**Mrs. MacInnis:**

That an Order of the House do issue for a copy of the report undertaken in the Department of Agriculture on the United States Internal Food-Aid Program and its application to Canada.

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the hon. member was informed by the Minister of Agriculture (Mr. Olson) on November 18, 1970, that no formal report has ever been made by the Department of Agriculture on the United States internal food-aid program and its application to Canada. An analysis of the program referred to was for departmental use and is considered to be confidential. I would therefore respectfully ask the hon. member to withdraw her motion.

Mrs. MacInnis: Mr. Speaker, I would be very glad to transfer this matter for debate. I do not think it should be secret.

Mr. Speaker: Transferred for debate.

COPY OF ALL CORRESPONDENCE PERTAINING TO THE RELEASE OF YVES GEOFFROY FROM ST. VINCENT DE PAUL PENITENTIARY

Motion No. 6—**Mr. Woolliams:**

That an Order of the House do issue for copies of all documents, reports, letters, papers, and statements in reference to and material to the release of Yves Geoffroy from the St. Vincent de Paul penitentiary and material to his wrongful escape, while serving a life sentence for the conviction pertaining to the murder of his wife.

Mr. Douglas A. Hogarth (Parliamentary Secretary to Solicitor General): Mr. Speaker, if the government were to accept and accede to this motion it would be called upon to concede certain basic premises which in the government's view in law do not exist and accordingly the hon. member is asked to withdraw the motion.

Mr. Woolliams: Mr. Speaker, may I just speak to that?

Mr. Speaker: Order, please. The hon. member knows very well that he cannot speak to it but can merely indicate whether he wishes to withdraw the motion, have it transferred for debate or put to a vote.

Mr. Woolliams: Mr. Speaker, on a point of order, may I say there has been communication between the parliamentary secretary and myself. He is unhappy about the terminology. It is important that we get these documents. The motion asks that an order of the House do issue for copies of all documents, reports, letters, papers and statements in reference to and material to the release, and he objects to the word "release" and to the words "wrongful escape". I do not know what the terminology should be. I will not agree with his terminology and he does not want to agree with my terminology, but what I am after is to have the documents produced.

Mr. Speaker: The hon. member has risen on a point of order. I am sure he appreciates that there is not much the Chair can do. The Chair can either put the question or the motion can be transferred for debate.

Mr. Woolliams: Question.

Mr. MacEachen: Transfer for debate.

Mr. Speaker: Transferred for debate.

• (1420)

Mr. Baldwin: I rise on a point of order, Mr. Speaker. We have had three occasions already when parliamentary secretaries in purporting to answer particular requests have stated reasons. My submission is that under the clear provisions of the Standing Order the government may accept a motion for papers, reject it or transfer it for debate, but they are not allowed to smuggle in their reasons at this time.

Mr. Speaker: The hon. member knows how the practice has developed. I think that perhaps with some reason it has been felt by hon. members on both sides of the House that it might facilitate the work of the House and make it more rational if parliamentary secretaries or ministers indicated the grounds on which the motion was objected to, giving an opportunity to the member who had put the

motion to indicate whether he wanted to withdraw it, have it transferred for debate or have a vote called on it. Often it is very difficult for an hon. member who puts this kind of motion to decide whether he wants to withdraw it unless he knows why the government does not want to produce the documents required. This practice has always made sense to me. At the same time it is easy to abuse the situation and to go a little too far and argue a case. I have hoped all along that there would not be argument on the part of parliamentary secretaries or ministers explaining why a motion was not acceded to by the government, but I believe that, with the general consent of hon. members, it is a helpful practice, provided there is no argument presented by the government, in indicating why a motion is refused or acceded to.

Mr. Woolliams: May I just speak to that point of order without being argumentative. If parliamentary secretaries can give reasons, surely we who are asking for the production of papers should be allowed to give our side of the story. If it is fair for one, surely it should be fair for the other. If there was not an escape in this case I have not heard of one since A Tale of Two Cities.

Mr. Speaker: The hon. member appears to have given at least as many reasons for his case as the parliamentary secretary gave for his. I suggest to hon. members that the practice appears to be a good one, and I would hope there would be co-operation on the part of members speaking for the government and members moving such motions to continue the practice and not abuse what appears to me to be a very logical and helpful practice which we have developed over the years.

DESCRIPTION OF AREA TO BE INCORPORATED IN SECOND NATIONAL PARK IN VAL MARIE-KILLDEER AREA

Motion No. 17—**Mr. Burton:**

That an Order of the House do issue for a copy of a description of the area which the federal government would like to see incorporated in the proposed second national park in Saskatchewan to be situated in the Val Marie-Killdeer area.

Mr. Allen B. Sulatycky (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, the hon. member has asked that an order of the House do issue for a copy of a description of the area the federal government would like to see incorporated in the proposed second national park in Saskatchewan to be situated in the Val Marie-Killdeer area. The maps and papers describing this area are under active consideration and papers relating to negotiations cannot be released until these negotiations have been concluded. As no final decision has been made, I would ask the hon. member to withdraw his motion.

Mr. Burton: Lots of other people see these documents. Question, Mr. Speaker.

Mr. MacEachen: Transfer for debate.

Mr. Speaker: Transferred for debate.

[Mr. Speaker.]

ORAL QUESTION PERIOD

PENSIONS

OLD AGE SECURITY—SUGGESTED ADJUSTMENT TO MEET INCREASES IN COST OF LIVING

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker—

Some hon. Members: Oh, oh!

Mr. Ricard: Stop quacking over there.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. These 30 seconds are not being charged to the question period.

Some hon. Members: Hear, hear!

Mr. Stanfield: I hope that will not be charged either, Mr. Speaker. I would like to ask the Prime Minister a question arising out of the information we have had today that the index for food prices has gone up by one full percentage point in one month. In view of this increase is he now prepared to sponsor the adjustment of pensions to take into account fully the real changes in the cost of living? I ask this question particularly in view of the fact that a freeze has been in force for about a year so that even the most needy pensioners, those who receive the guaranteed income supplement, can receive a maximum adjustment of only about 1 per cent in the course of the year regardless of what changes take place in the cost of living.

Right Hon. P. E. Trudeau (Prime Minister): At $100 a dinner it is not surprising that the food index went up, Mr. Speaker. I must say I disagree with the interpretation given by the hon. member. When the guaranteed income supplement was raised by this government to $135 a month it was a greater increase than the cost of living increase over the years which had been covered by that increase.

Mr. Stanfield: Mr. Speaker, without arguing with the Prime Minister about his statement I would like to ask him whether, in view of the increase that has taken place since the change was made, and the restriction on the increase to about 1 per cent of the pensions received by those who are entitled to the guaranteed income supplement, he would make a small move at least toward justice for these people by arranging that at least the guaranteed annual supplement will be changed in line with the real increase in the cost of living?

Mr. Trudeau: Well, Mr. Speaker, the hon. member knows that this matter was debated in the House. He knows that when the government brought in this modified legislation it was in order to make sure that the funds were spent more on the needy people. That is why the freeze on the $80 was accompanied by a very substantial increase, much higher, I repeat, than the comparative increase in the cost of living, to the needy people. This increase to the needy people was also accompanied by a possible 2 per cent increase tied to the increase in the cost of living.

Mr. Stanfield: Mr. Speaker, I want to ask one further supplementary question to make sure that the Prime Minister understands me. Is it the position of the Prime Minister that a 2 per cent area of upward movement is justice for these people when in fact the cost of living goes up substantially more? In view of the fact that the money the government is spending on Information Canada would go some distance—

Mr. Speaker: Order, please.

Mr. Stanfield: —to do some justice to these people—

Mr. Speaker: I am sure—

Mr. Stanfield: —would the Prime Minister not reassess his priorities?

Mr. Speaker: I am sure the Leader of the Opposition would agree that at least part of this further supplementary was argumentative. I believe the hon. member for Vancouver-Kingsway has a supplementary question.

OLD AGE SECURITY—SUGGESTED PROVISION OF ESCALATION BASED ON COST OF LIVING INCREASES FOR THOSE RECEIVING BASIC AMOUNT

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, in view of the fact that the cost of living has risen very greatly and is now almost 5 per cent higher than it was a year ago, would the government be prepared at least to introduce an escalator provision for those on the $80 a month which would be geared to the rise in the cost of living which has occurred since last year?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, these questions were amply debated when the legislation was brought in, and the principle that the government put forward was that, rather than pay—

Mr. Stanfield: You had inflation licked then.

Mr. Trudeau: —to the aged people in this country an amount regardless of what their income was, we would use public funds mainly for people who are in need. That is the reason why we froze the OAS pension and increased, I repeat, very substantially the supplement to the very needy in this country. Once again, I say the principles involved were debated in this parliament and I cannot, without repeating the whole debate, answer the question any more fully.

Mrs. MacInnis: As there has been a big change since that time and the cost of living has continued to mount, would the Prime Minister still say that the people who are only receiving $80 are not in need?

Mr. Speaker: Order, please. The hon. member for Egmont on a supplementary.

• (1430)

OLD AGE SECURITY—CONSULTATION WITH PROVINCES ON ADJUSTMENT OF ESCALATION PROVISION TO MEET COST OF LIVING INCREASES

Mr. David MacDonald (Egmont): I have a supplementary question for the Prime Minister, Mr. Speaker. In view of the very heavy burden being forced upon our senior citizens because of the rapid rise in costs, can the Prime Minister say whether there has been consultation with the provinces or requests from the provinces respecting adjustment of escalation clause in the federal pensions so that they will be adequate to enable pensioners to meet the continuing rise in costs?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am not sure if there have been consultations with all the provinces. I do know that the provinces sometimes put forward an argument that the federal payments should be increased substantially but, of course, the federal payments are discussed and submitted to the federal Parliament, not to the provincial legislatures. I cannot say how many provinces have carried the argument put forth by the hon. member or under what circumstances.

Mr. MacDonald (Egmont): Since the Prime Minister does not seem to be clear either as to the need on the part of our senior citizens—

Some hon. Members: Oh, oh!

Mr. MacDonald (Egmont): —or as to specific requests from the provinces, would he undertake to the House to initiate inquiries in order that he may have up to date information and be able to give a more informed answer to the House?

Mr. Trudeau: Mr. Speaker, regarding need, the guaranteed income supplement is precisely designed to be addressed to those people who are in need and not universally to all people over the age of 65 whether they are in need or not. If they are in need they can apply for the guaranteed income supplement which is indexed, as I said earlier.

Mr. MacDonald (Egmont): What is happening to the people now?

Mr. Trudeau: What is happening? Well, they have to listen to some of the guff of hon. members—

Mr. Speaker: Order, please. A number of members are seeking supplementaries.

[*Translation*]

OLD AGE SECURITY—POSSIBILITY OF REDUCING AGE OF ELIGIBILITY

Mr. André Fortin (Lotbinière): Mr. Speaker, my supplementary question is directed to the right hon. Prime Minister.

Is he in a position to tell us whether his government is considering lowering to 60 the age of eligibility for old age pension and to grant this pension to the spouse as soon as

the other begins to collect old age pension, in view of the economical problems facing those people?

Right Hon. P. E. Trudeau (Prime Minister): I did not quite catch the second part of the question but as regards the first part the government obviously wishes to give as much money as possible immediately to everybody but we must manage the government taxes and revenue as fairly as possible.

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I have a supplementary question.

Would it not be easier for the Prime Minister and his government to use the services of the Bank of Canada which has been created especially to serve Canadians?

[*English*]

Mr. Speaker: Is the hon. member for Mackenzie rising on a supplementary question?

Mr. Korchinski: I have a question for the Minister of Labour.

Mr. Speaker: I will recognize the hon. member in due course. We are still on the first question and have not completed the first round of questioning yet. The hon. member for Prince Edward-Hastings on a supplementary.

OLD AGE SECURITY—STEPS TO CHECK INFLATION

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a supplementary question for the Prime Minister. As the rise in the cost of living during the last month maintained the same rate as during the whole of last year, namely, 5 per cent, does the government intend to take positive steps to check this rapid inflation or does it not intend to?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I disagree once again with the figures put forth by the hon. member; they are not in accordance with the facts.

Mr. Hees: A supplementary, Mr. Speaker—

Mr. Speaker: Order, please. Hon. members will appreciate that we have to go to another subject, important though this one may be. The hon. member for Prince Edward-Hastings may ask a last supplementary and I will then go to the hon. member for York South on the next question.

Mr. Hees: As the figures I have quoted to the Prime Minister were produced by Statistics Canada, would he explain why he disagrees with his own government's agency?

Mr. Speaker: Order, please. The hon. member for York South.

[Mr. Fortin.]

MANPOWER

APPOINTMENT OF ALLEGED LIBERAL PARTY OFFICIAL TO CARRY OUT STUDY IN WEST GERMANY

Mr. David Lewis (York South): Mr. Speaker, I wonder whether the Acting Minister of Manpower and Immigration can now give us the details of the saga of Mr. Jean-Paul Lefebvre?

Hon. Martin P. O'Connell (Acting Minister of Manpower and Immigration): Mr. Speaker, Mr. Jean-Paul Lefebvre, after consultation with the Department of Manpower and Immigration, was engaged on December 20, 1971, on a contractual basis by the government of Canada to carry out a study of the manpower policies and institutions of the Federal Republic of Germany and to draw to the attention of the government conclusions that might be useful in the Canadian federal system. The contract period ends on March 31, 1972. During the period Mr. Lefebvre will receive a fee of $600 a week. He is also entitled to the usual travelling and living expenses provided under the public service travel directive and to a total amount not to exceed $400 payable on the basis of actual expenses for secretarial services outside Ottawa. This remuneration is well within the standard range of short-term contracts. Mr. Lefebvre has been a total of 18 days in the Federal Republic of Germany and in Europe. He expects to meet the deadline provided in the contract.

Mr. Lewis: Can the acting minister inform the House of the basis on which the Federal Republic of Germany was selected as the place to study the manpower situation, particularly in view of the fact that West Germany has had full employment and employed two million to three million people from outside the country to fill vacancies in the labour market? In view of that situation, exactly what is Mr. Lefebvre studying in West Germany that would be useful to Canada?

Mr. O'Connell: The fact that there is no growth rate in the German economy and they have to import people is perhaps one of the reasons he is there, but the point the hon. gentleman misses is that it is a federal system and he is looking at manpower policies in a federal system of interest to Canada.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Lewis: The federal system of West Germany is about as equal to the Canadian as this House of Commons is equal to the assembly in Tokyo.

Mr. Speaker: Order, please. Would the hon. member kindly ask his supplementary.

Mr. Lewis: What a comparison! May I ask the Acting Minister of Manpower and Immigration if he has found out whether Mr. Lefebvre had been on similar investigations when he was a Liberal member of the provincial legislature of Quebec? Did he go to Sweden and other places during the years he held an office in the Liberal party?

Mr. O'Connell: Mr. Speaker, I have the biography of Mr. Lefebvre and I shall be pleased to show it to the hon. member. He has a very broad experience in labour, manpower—

Mr. Hees: Just answer the question.

Mr. Speaker: Order, please.

Mr. O'Connell: —and his qualifications—

Mr. Speaker: Order, please.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

SHERBROOKE—DELAY IN PAYMENT OF BENEFITS—EMPLOYEES' WORKING CONDITIONS

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I have a question for the Minister of Labour but in his absence I will direct it to his parliamentary secretary.

Yesterday I asked a question about the delayed payment of benefits to a great many unemployed and I would like to ask the parliamentary secretary if it would be possible to decentralize the offices which issue cheques to the unemployed.

Since the regional office in Sherbrooke is much too small for the number of civil servants working there, could the parliamentary secretary advise us whether steps will be taken to improve the services in that area so that civil servants would be able to work in more human conditions?

[*English*]

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, consideration will be given to this request. I should point out, however, that in effect there has been decentralization since 1970 with an expansion of 50 per cent in unemployment insurance offices—both main centres and service centres—servicing unemployment insurance clients.

[*Translation*]

Mr. Beaudoin: Mr. Speaker, I have a supplementary.

Is the parliamentary secretary aware of the fact that the Sherbrooke office staff has been increased by 25 per cent, with the facilities remaining the same?

Mr. Speaker: Order, please. This is an argument put forward by the hon. member in support of his contention.

Mr. André Fortin (Lotbinière): A supplementary, Mr. Speaker.

Since the minister is prepared to see to the well being of the Unemployment Insurance Commission civil servants, would he be now prepared to look after the unemployed who are not receiving their cheques?

Inquiries of the Ministry

EXTERNAL AFFAIRS

INQUIRY AS TO INSTRUCTIONS TO CANADIAN EMBASSY IN SPAIN TO ASSIST CBC CREW REPORTING ON ARREST OF MR. AND MRS. GEOFFROY

Mr. Mac T. McCutcheon (Lambton-Kent): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs. Did the Department of External Affairs issue instructions to the Canadian embassy in Spain to offer assistance to Peter Daniels and a CBC crew in reporting on the arrest in that country of Mr. and Mrs. Geoffroy?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Not particularly, Mr. Speaker. We did not issue any instructions to help the CBC nor did we issue any instructions to hinder their activities.

Mr. Nielsen: Just asked them to do it.

[*Later:*]

Mr. Erik Nielsen (Yukon): Mr. Speaker, may I direct a supplementary question to the Secretary of State for External Affairs. Did the minister or any of his officials have any conversation with anyone in the CBC with respect to the coverage of the Geoffroy matter in Spain?

Mr. Sharp: Mr. Speaker, I understand that the CBC has complained about the treatment it has received from the Spanish authorities who have placed difficulties in the way of taking pictures. This has been conveyed to us. This is a matter for the Spanish government to decide. The Spanish government laid down one stipulation, that there would be no interviews with Geoffroy and his wife. With that decision we agree.

Mr. Baldwin: Probably you people asked them to do that.

Mr. Speaker: Order, please.

NATURE OF PROCEEDINGS TO SECURE RETURN OF MR. AND MRS. GEOFFROY FROM SPAIN

Mr. Eldon M. Woolliams (Calgary North): I have a supplementary or somewhat related question, Mr. Speaker. While the minister is dealing with this point, can he tell the House whether extradition proceedings have been taken and, if so, what is the result and will Geoffroy and his wife be returned to Canada?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I am not quite certain whether proceedings will be by way of deportation or extradition. I cannot answer that question yet.

[*Later:*]

Mr. Sharp: Mr. Speaker, I rise on a minor point of order so as not to mislead the House on an answer I gave a little earlier today. I am now informed that both Mr. and Mr. Geoffroy have expressed a wish to return to Canada forthwith.

Inquiries of the Ministry

• (1440)

MANPOWER

LOCAL INITIATIVES PROGRAM—APPLICATION DATE CONSIDERED IN MAKING GRANTS—ADDITIONAL FUNDS

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, my question is for the Minister of Labour. In view of the number of applications that have gone to his office in connection with the local initiatives program, is the original date of application considered for the granting of loans or is it the final date which is considered as the date of application in the granting of loans? I ask this question since there apparently is a shortage of funds available for the program.

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, I will try to clarify the two dates that the hon. member has in mind and have a conversation with him on this.

Mr. Korchinski: Mr. Speaker, may I ask the minister if the government intends to devote additional funds to this program in order to make it workable inasmuch as people have become excited about the program and made applications and the program now cannot fulfil the requirements?

Mr. O'Connell: Mr. Speaker, it is true that a very large response was made to this offer of opportunities for work. There is no present intention to increase the funds in the program.

LOCAL INITIATIVES PROGRAM—SUGGESTED ONGOING PROGRAM TO ASSIST PEOPLE IN ISOLATED COMMUNITIES

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, may I address a supplementary question to the Minister of Labour. Since many hundreds of applications under the local initiatives program from people living in remote and isolated communities will be turned down and as this will have a detrimental effect on their initiative and morale, will the government give consideration to introducing a similar type of program that will be ongoing so these people will be given the advantage of this type of project?

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, I am very happy to note, in looking at the range of projects, that a great number of them, particularly in Newfoundland, involved what the hon. member likes to describe as isolated communities.

Mr. Speaker: The hon. member for Nanaimo-Cowichan-The Islands. I apologize to the hon. member. Perhaps I might first recognize the hon. member for Oxford on a supplementary and then the hon. member for Nanaimo-Cowichan-The Islands.

LOCAL INITIATIVES PROGRAM—REQUIREMENT THAT APPLICANTS BE CANADIANS OR LANDED IMMIGRANTS

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, may I direct a supplementary question to the Minister of Labour. Can the minister tell us if one of the criteria followed in making grants under the LIP program is that the applicant or those receiving assistance must be Canadians or landed immigrants?

[Mr. Sharp.]

Hon. Martin P. O'Connell (Minister of Labour): Yes, Mr. Speaker, I believe that both those conditions are in the criteria. I will check on that, but I think I am correct.

Mr. Speaker: Order, please. I recognize the hon. member for Nanaimo-Cowichan-The Islands.

Mr. Douglas: Mr. Speaker, may I direct a question to the minister—

Mr. Speaker: Order, please. I apologize to the hon. member. The hon. member for Gander-Twillingate is rising on a point of order.

Mr. Lundrigan: Mr. Speaker, my point of order concerns the question raised by the hon. member for Oxford, the response of the minister, and several projects which have been awarded grants in Toronto. I have reason to believe that certain individuals who were given grants did not meet the specific requirements. I wonder whether an investigation could be launched along those lines?

Mr. Speaker: Order, please. That is obviously not a point of order.

Mr. Lundrigan: Mr. Speaker—

Mr. Speaker: Order, please. I will recognize the hon. member in a moment on a supplementary question. He will be recognized for that purpose in a moment.

[*Later:*]

LOCAL INITIATIVES PROGRAM—REQUEST FOR INVESTIGATION OF CERTAIN TORONTO PROJECTS

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I wish to ask whether the Minister of Labour will investigate those projects in Toronto which are of a questionable nature and report to the House on whether the criteria regarding Canadian citizenship or landed immigrant status have been met in connection with the two or three projects referred to by the hon. member for Oxford?

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, I would ask the hon. gentleman to be more specific in his suggestion.

Mr. Speaker: Order, please. This is the kind of situation in which it might be best if the hon. member were in touch directly with the minister, or the minister with the hon. member, in order to find out exactly what the situation is that they want to investigate.

OIL

INQUIRY AS TO REVOKING OF DRILLING PERMITS FOR BRITISH COLUMBIA COASTAL WATERS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Minister of Energy, Mines and Resources. Has his department issued oil drilling permits to Petrotar Development Company Limited of Calgary, and have these oil drilling permits been revoked and withdrawn?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I think the hon. member is referring to the west coast permits. They were permits for seismic investigation rather than for drilling, as I understand it.

Mr. Douglas: Have those permits covering some 2.7 million acres of the coastal waters of British Columbia been revoked and withdrawn, and are any other permits outstanding for either seismographic work or drilling? If there are any outstanding, will they be withdrawn?

Mr. Macdonald (Rosedale): Mr. Speaker, the hon. member is asking for a really detailed enunciation of the outstanding permits on the west coast. Perhaps the best thing to do would be to get those in tabular form and supply them to the hon. member. I cannot do this from memory.

Mr. Speaker: Order, please. I will recognize the hon. member for a last supplementary question, but we should try to limit the number of supplementaries asked. If each hon. member asks two or three supplementaries, we will run short of time. I will try to recognize as many of our colleagues as possible during the question period.

Mr. Douglas: Mr. Speaker, I am not asking the minister for detailed information. I am asking about permits which were issued by his department and which the Minister of the Environment said were going to be revoked. I am asking the minister a simple question. Have the permits issued to Petrotar Development Company Limited been revoked and does the department intend to revoke any other outstanding permits?

Mr. Macdonald (Rosedale): Mr. Speaker, I think that my previous answer still makes sense. A great many permits have been issued on the west coast, as I indicated to the hon. member. I will be glad to get a full description of their current status for him. I think that is the information he wants, according to my understanding.

* * *

AUDITOR GENERAL

REASON FOR DELAY IN TABLING OF REPORT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Prime Minister who undertook on Monday, I believe, to investigate why the report of the Auditor General had not been tabled in the House within the time required by law. Has the Prime Minister been able to conduct this investigation, and what brief report can he make now?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I did make that inquiry and I understand that the Auditor General himself has failed to deliver the report to the minister for tabling in parliament—

Mr. Forrestall: Why?

Mr. Trudeau: —under the provision that the law provides.

Mr. Forrestall: Why?

Mr. Trudeau: The hon. member asks why. I am sure, if an officer of parliament is breaking the law, that an hon. member should not ask me why he is breaking the law. He should address his question to that officer of parliament.

Mr. Forrestall: He has been given some help in breaking the law.

Mr. Stanfield: Mr. Speaker, will the Prime Minister give the House the undertaking he will make certain that the Auditor General has sufficient resources to complete this report and that it will be tabled before the next general election?

Mr. Hees: Don't be afraid, Pierre. Speak!

Mr. Trudeau: Mr. Speaker—I am suddenly afraid.

Some hon. Members: Oh, oh!

Hon. D. S. Harkness (Calgary Centre): Mr. Speaker, in the investigation of this matter which the Prime Minister assured me on Monday would be undertaken, did he discover that the reasons given by the Auditor General for the lateness in tabling the report are a shortage of staff and poor morale because of low classifications of his officials?

Mr. Trudeau: Mr. Speaker, I repeat, the Auditor General is an official of parliament and not of the government. I do not want to question the reasons he gave. If parliament wants to condone his breaking the law and not do anything about it, that is fine—

Some hon. Members: Oh, oh!

Mr. Trudeau: —but the government is not stepping into this matter.

Mr. Forrestall: Shame!

Mr. Speaker: Order, please. I must bring to the attention of hon. members that some 20 or 25 hon. members want to ask questions. We must make headway. Again I bring to the attention of hon. members that the question period will be over soon. It will end at about five minutes past three.

• (1450)

Mr. Harkness: I wonder whether the Prime Minister would look further into this matter and ensure that the Auditor General has sufficient staff of the necessary high

calibre in order that he can get his report in very shortly and so that in future he will be able to get his reports in on time as required by the Financial Administration Act?

Mr. Trudeau: Well, Mr. Speaker, every minister in this government would like to have more staff. It is my job to receive these demands on behalf of—

Mr. Hees: Give them some of yours.

Mr. Trudeau: I have even heard that the opposition requires more staff. I do not think more staff would help them. Perhaps a different kind of staff might.

Mr. Speaker: Order, please. I am not sure whether hon. members wish to pursue supplementaries on this very important and interesting subject, but I again bring to their attention that we shall be running out of time soon.

[*Translation*]

Is the hon. member for Témiscamingue rising to ask a supplementary?

Mr. Caouette: Yes, Mr. Speaker.

Mr. Speaker: The hon. member for Témiscamingue.

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EXTERNAL AFFAIRS

THREATS AGAINST CANADIAN CONSUL IN SAN JUAN—POSSIBLE DEPORTATION OF HUMBERTO PAGAN—REQUEST FOR STATEMENT

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I would like to direct a question to the Secretary of State for External Affairs.

Is the hon. gentleman willing to make a statement regarding the threats against the Canadian Consul in San Juan, Porto Rico, to protest the possible deportation of the militant nationalist Pagan who is being detained in Ottawa for having illegally entered Canada?

[*English*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, this is a very serious matter. I do not want to undertake to make a statement at the present time because deportation proceedings are now under way against this person and I do not believe it would be in order for me to make a statement. I am aware that threats have been made against the consulate and this, I think, is most unfortunate, because we want to see justice done.

[*Translation*]

Mr. Caouette: A supplementary question, Mr. Speaker.

I appreciate the reasons of the Secretary of State for External Affairs, but since Cuba or Chili are willing to accept the Porto Rican nationalist, would the department be prepared to consider the possibility of handing him over to either Cuban or Chilian authorities?

[*English*]

Mr. Sharp: This is a question which ought really to be directed at this stage to the Minister of Manpower and Immigration. But perhaps I could add that there are two kinds of procedures under way. One of them is for deportation, in which case the appeal board and ultimately the minister would have to deal with the matter. There is another procedure involving extradition. It is necessary to take both into account. This is why I am reluctant to make a statement at this time which might in some way affect the course of justice.

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POST OFFICE

CONTRACT TO ITT—PARTICIPATION BY J. W. MOODIE IN WORK OF CODING TASK FORCE

Hon. W. G. Dinsdale (Brandon-Souris): My question is for the Postmaster General, Mr. Speaker. In his absence perhaps the Acting Postmaster General or the parliamentary secretary might reply. It arises from the statement made in the House last Monday by the Postmaster General and reported at page 529 of *Hansard* as follows:

> Mr. Moodie never worked for our coding and mechanization branch nor did he in any way collaborate in its work.

I draw attention now to another statement in a report on this subject, prepared by Samson, Belair, Riddell and Stead, expressing appreciation for help from various people and adding:

> —but none could be more stimulating than the coding task force under the team leadership of Mr. J. W. Moodie, the department's chief engineer.

In view of these contradicting statements can a statement be made on the subject at the earliest possible moment?

Mr. Gerald Cobbe (Parliamentary Secretary to Postmaster General): I will bring this matter to the attention of the minister and make sure that the hon. member receives an answer.

Mr. Dinsdale: A supplementary, Mr. Speaker.

Mr. Speaker: Order, please. Again I seek the co-operation of hon. members in limiting the number of supplementaries.

Mr. Dinsdale: In view of the suspicion around ITT government dealings on both sides of the border perhaps the Prime Minister, as captain of the leaky ship of state, could make a statement on this matter.

Mr. Trudeau: I was not following the exchange, Mr. Speaker.

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HEALTH

NEGOTIATIONS WITH PROVINCES ON INCLUSION OF OPTOMETRIC SERVICES IN MEDICARE

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of National Health and Welfare. May I ask whether the hon. gentleman is in a position to report any progress in connection with the negotiations he has been carrying on with the provinces

concerning the inclusion of optometric care in the national health plan?

Hon. John C. Munro (Minister of National Health and Welfare): Yes, Mr. Speaker. We have held discussions with the provinces, mainly on the subject of the new cost-sharing formula to replace the present hospitalization and medicare arrangements. This formula would, we believe, place greater resources in the hands of the provinces to enable them to develop a health care system more in line with their own priorities. One of the ingredients of this proposal was that in the calculation we would build in the cost of optometric services.

Mr. MacLean: On a point of order, Mr. Speaker, I should like to inquire whether we can be advised who are the ministers acting in place of the eight or nine ministers who are absent today but who are supposed to be here according to the unofficial roster? I am not taking into account the seven or eight ministers who are not scheduled to be here today. Perhaps the Prime Minister could inform us who they are and assure us that there is an acting minister in every case.

Mr. Trudeau: I will be glad to help the House with that information. The Minister of National Defence, who is visiting military establishments in Victoria, is represented today by his parliamentary secretary, Mr. Comtois.

[*Translation*]

Mr. Chrétien is presently in Victoria where he is holding meetings with Indians. His parliamentary secretary, Mr. Sulatycky, is here today to answer questions.

As for Mr. Pelletier, he has travelled to Vancouver where he is meeting with representatives of the Canadian Council of Christians and Jews and I think that his two parliamentary secretaries are in the House to reply on his behalf.

[*English*]

In the case of Mr. Laing—

Mr. Speaker: Order, please. I have to interrupt the Prime Minister. I think I should remind him that he ought to refer to ministers by their official functions rather than by their names, and the same applies, of course, to parliamentary secretaries.

Mr. MacDonald (Egmont): On a point of order, Mr. Speaker, at the end of the question period yesterday I called attention to the fact that there were at different times between five and seven ministers absent who, according to this infamous roster system, should have been in the House. You have already acknowledged the fact, Mr. Speaker, that this roster is not a legitimate or formal document of the House. We find ourselves in an increasingly difficult situation in connection with the proper functioning of the House when ministers deliberately refrain from being present. I refer again to Standing Order 5 which states:

Every member is bound to attend the service of the House unless leave of absence has been given him by the House.

There has been a continuous disregard by the administration for the importance of this chamber.

Some hon. Members: Oh, oh!

An hon. Member: What about your leader when he was in Guadeloupe?

Mr. Speaker: Order, please. May we have order, please? The hon. member for Egmont is raising a point of order. He should be given an opportunity to make his point. I am quite prepared to listen to him.

Mr. MacDonald (Egmont): Yesterday we witnessed the unusual sight of one minister responding for three separate departments, I believe, and one of the newest ministers at that. Today we are unable to tell for which particular department a minister or a parliamentary secretary may be answering. This has reduced the capabilities of the House.

• (1500)

I say, Mr. Speaker, that in your position as senior officer of the House you should take it upon yourself to consult with the House leaders with a view to clearing up this very great difficulty, and seeing if ministers cannot be in their places to answer questions that are important to this country.

Mr. Speaker: The point of order raised by the hon. member has been raised before, and I have stated my position. It is obvious that any system that is not provided for in the Standing Orders is not, so far as the Chair is concerned, in operation. Whether certain ministers, all ministers or no ministers at all are in the House from day to day is certainly not the responsibility of the Chair.

So far as the Chair is concerned, the situation is that Standing Order 5 is operative. I am not sure to what extent it is respected from day to day, but it does not apply particularly to one side of the House or the other. Standing Order 5 does not apply to ministers as such but to individual members; it requires that all members should be in the service of the House.

In any event, I think much of what I am saying is somewhat theoretical and goes beyond the point raised by the hon. member for Egmont. As I say, the point has been raised before. I have reflected on it and have expressed my opinion, and I doubt very much that I can go beyond that. There are only a few minutes left before the end of the question period, but if hon. members wish to raise points of order I have to recognize them.

Mr. MacInnis: Mr. Speaker, I have a point of order which arises from a statement made by the Prime Minister. I ask for the guidance of the Chair on this question: Under what rules or procedures is a parliamentary secretary allowed to function as an acting minister?

Mr. Speaker: Order, please. The hon. member cannot ask questions of the Chair. Other members of the House have enough trouble answering questions, and I do not think the Chair should be required to share in that difficulty.

Mr. MacInnis: A further point of order, Mr. Speaker. I was putting my question in the form of a request for a ruling from the Chair. The question could be directed to the Prime Minister. May I ask him under what rules or

procedures he permits a parliamentary secretary to function as an acting minister?

Mr. Trudeau: Perhaps I should let my parliamentary secretary answer that, Mr. Speaker.

Mr. Speaker: Order, please. I suggest to hon. members that this is debate. We have reached the end of the question period, but I think hon. members would allow the Chair to recognize a few members from the different parties before calling orders of the day. I have seen hon. members standing for 40 minutes and I apologize to them for their lack of opportunity to ask their questions. This gives me an opportunity to remind members that if we are to spend 10 or 15 minutes on the first two or three questions, which admittedly may be important there is going to be some difficulty at the end of the question period. I will try to be fair to members and see a few of them before calling orders of the day. I might start with the hon. member for Edmonton Centre. I have seen him.

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HIGHWAYS

TWINNING OF TRANS-CANADA HIGHWAY—ALLEGED DISCRIMINATION AGAINST YELLOWHEAD PASS ROUTE

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is for the Minister of Public Works. Would the minister please advise the House why his department made the decision to twin the southern part of the trans-Canada highway in Alberta leading to Banff and to discriminate against the Yellowhead trans-Canada highway, which is the northern counterpart?

Mr. Speaker: I would think that that question, though important, might well be placed on the order paper. If there is urgency to it I will be pleased to return at the time of the adjournment to enable the hon. member to have it considered during the adjournment proceedings.

Mr. Paproski: Ten o'clock, Mr. Speaker.

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INDIAN AFFAIRS

REQUEST FOR INVESTIGATION OF COMPLAINT OF NATIONAL INDIAN BROTHERHOOD—ACCESS TO MINISTER

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is for the Prime Minister. Would the Prime Minister consider holding an inquiry into the complaint of the president of the National Indian Brotherhood that everything the Indians try to do is stopped at the civil service level?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will refer the question to the minister, and if he wants to inquire into the matter he will tell me.

Mr. Yewchuk: I have a supplementary question for the Prime Minister. In view of the fact the minister is absent today, would the Prime Minister consider establishing a procedure or structure which would provide the Indian Brotherhood with easier access to a minister when they have problems to resolve?

Mr. Trudeau: Mr. Speaker, the Indians have wide access to the minister. He is out in the west meeting Indians today.

Mr. Speaker: The hon. member for Battleford-Kindersley.

Mr. Alexander: A point of order, Mr. Speaker.

Mr. Speaker: The hon. member for Hamilton West on a point or order.

Mr. Alexander: May I bring a matter to Your Honour's attention. The hon. member for Hamilton-Wentworth has been rising for the past two days with great anxiety. I was told yesterday that he said something about a disaster in Hamilton, and since I come from Hamilton I am hoping that Your Honour will give him an opportunity to tell us what this disaster is all about.

Mr. Speaker: I have every intention of recognizing the hon. member. I undertook yesterday to give him an opportunity, but for the moment I have recognized the hon. member for Battleford-Kindersley.

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ENERGY

POSITION OF GOVERNMENT ON RESPONSIBILITY FOR POSSIBLE NUCLEAR ACCIDENT

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, I feel we can do with more matter and less argument during the question period. My question is for the Minister of Energy, Mines and Resources. In view of the fact that the Nuclear Liability Act is as yet non-operative, does this mean that the federal government is assuming any and all risks associated at the present time with any nuclear accident in Canada?

Mr. Speaker: I have some doubt about the procedural aspects of this question but the minister might be allowed to reply quickly.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I would have to make an investigation into the question but I hope to be able to respond to my hon. friend.

Mr. Speaker: The hon. member for Hamilton-Wentworth.

Some hon. Members: Hear, hear!

STORMS

ICE DAMAGE IN COUNTY OF WENTWORTH—REQUEST FOR COMPENSATION

Mr. Colin D. Gibson (Hamilton-Wentworth): Mr. Speaker, my question is for the Minister of the Environment. As the result of severe property damages caused by a very severe ice storm in Saltfleet and Ancaster municipalities in the county of Wentworth, would the Minister of the Environment consider recommending payment of emergency damages to alleviate the problem created?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, I am sure that if this disaster is beyond the competence of the government of Ontario, we in Ottawa will be hearing from Queens Park about it.

* * *

ENERGY

COAL—EFFECT OF POSSIBLE MINING IN ONTARIO ON AID TO NOVA SCOTIA MINES

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. Can the minister say whether any recent plans have come to his attention regarding possible mining of anthracite coal in the province of Ontario? If so, would this have any bearing on his current policy of possibly extending aid to the Nova Scotia coal mines?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the mining of anthracite in Ontario has not come to my attention but I would be glad to make inquiries on the point.

Mr. Speaker: Orders of the day.

Mr. Lundrigan: A point of order, Mr. Speaker.

Mr. Speaker: The hon. member for Gander-Twillingate is rising on a point of order.

Mr. Lundrigan: This matter has been raised several times during the last year and concerns the fact that since this parliament commenced we have had a 40-minute question period. In view of the question raised by the hon. member for Egmont, it is clear that there is absolutely no way for a member of parliament to hold a minister accountable for his department. We have raised this question in the House and asked the various House leaders to get together with a view to extending the question period.

Today, for example, or rather late yesterday, there was an incident off the east coast of Canada in which a Canadian vessel was intimidated by a foreign vessel. We are unable to ask questions of the Minister of the Environment about this incident, even though it could be tantamount to the declaration of a particular type of naval war against the people of Canada. There are matters of an urgent nature respecting various regions of Canada about which my colleagues to my left along the backbenches have been unable to ask questions. If we are to continue to have a reasonable opportunity of getting through to ministers with urgent questions, I suggest serious consideration must be given to extending the question period and I think that consideration should be given immediately.

Mr. Speaker: The hon. member has raised this question before. I do not want to be unfair to him or to any other member, but speaking very objectively and sincerely I have the impression that sometimes a question period that lasted even one or two hours would not be sufficient for all questions to be asked. This is particularly the case if half the question period is taken up with points of order and questions of privilege.

• (1510)

Some hon. Members: Hear, hear!

Mr. Speaker: I certainly do not want to disagree with the hon. member. Obviously, he has a point. It is obvious that from day to day members who are seeking to ask questions do not have the opportunity. There is a responsibility on the part of the Chair to try to recognize as many members as possible.

Mr. Lewis: I rise on a question of privilege.

Mr. Speaker: Order, please. Perhaps I might be allowed to finish. The hon. member has suggested that the whole problem be considered by the Standing Committee on Procedure and Organization. I agree with this. I hope that when the committee meets it will give very serious consideration to this kind of difficulty.

Mr. Lewis: Mr. Speaker, I rise on a question of privilege. I believe it affects all members of parliament. I am anxious to draw this point to Your Honour's attention while the Prime Minister is still in the chamber. In reply to questions asked of the Prime Minister with regard to the late filing by the Auditor General of his report, he said—I do not claim to be quoting him verbatim but this is certainly not an inaccurate representation of what he said—that if parliament is willing to let him break the law or something to the effect that if Members of parliament are willing to condone a breach of the law or the Auditor General breaking the law, it is okay with him.

I make several points, Mr. Speaker. I think the behaviour of the Prime Minister in such cases is really remarkable, if not worse than that, if not reprehensible. First, as one member of this parliament I do not intend to allow the Prime Minister to accuse me, my colleagues or, indeed, any member of this parliament of condoning lawbreaking by any servant.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Lewis: Second, if the Prime Minister is right, then as leader of the government, and therefore as leader of this parliament, he should have the courage to produce a resolution to deal with the Auditor General in the way in which the act provides.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Lewis: Third, it is a well-known habit of those who want to kill someone to produce discomfort for him.

Some hon. Members: Order!

Mr. Lewis: They amputate his arms and legs and then ask him to run. This government has amputated the Auditor General's office. It amputated the arms and legs by inadequate personnel. Now, we have this kind of statement.

I did not rise on this point during the question period because I did not want to take up any time in the question period. But I say it is less than courageous to attack an officer of this parliament in this House without giving details or considering the situation, and it is less than proper for the Prime Minister to say that members of parliament condone lawbreaking.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Trudeau: Mr. Speaker, I merely want to point out, without shouting if possible, that this matter was brought to the attention of the House by way of a question from a member of the opposition. The government had no intention of drawing this to the attention of the House. It did not bring this matter before the House.

When the question was asked of the government why this illegality was being perpetrated—those were the terms that were used; I cannot quote them exactly but in the question the matter of illegality was raised—I undertook to look into the matter. I reported that it was not any fault of the reporting minister but of the Auditor General himself that the report was not with us. I answered that it was not the intention of the government to look into the motives of the Auditor General or the reasons that he might want to give.

I did not want to make an issue of it, Mr. Speaker, but the question was pressed upon the government. I just said that the Auditor General is an officer of parliament, not of the government, and that he is answerable to this House. This government does not intend to introduce the resolution of censure which is recommended by the leader of the New Democratic Party.

Some hon. Members: Hear, hear!

Mr. Trudeau: If he has the courage of his convictions, perhaps he will want to move such a motion.

Some hon. Members: Hear, hear!

Mr. Speaker: I suggest to both the right hon. Prime Minister and the hon. member for York South that there is not much point in pursuing this matter by way of a debate on a question of privilege. The hon. member raised a question. As is the tradition and the long-established practice of the House, the person involved was allowed to reply. There is no motion before the House. There is nothing before the House. I called orders of the day before and I have to call orders of the day again.

Mr. Lewis: Mr. Speaker, I rise on a personal question of privilege. I respect Your Honour's desire, but the Prime Minister was in the House when I spoke and I do not intend to let him get away with twisting my words.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The hon. member is now entering into a debate with the Prime Minister. The hon. member made a statement and the Prime Minister made a statement. The hon. member for York South now says that he does not want the Prime Minister to misinterpret his statement. This can go on for a long time because the Prime Minister will again reply. I wonder where it will end and whether we are achieving any purpose in pursuing this debate.

Mr. Lewis: I am in Your Honour's hands. If I believed, as the Prime Minister suggested he did, that the Auditor General, having the capacity to produce the report on time, was deliberately breaking the law, I would bring such a resolution. It is the Prime Minister who suggested he is breaking the law.

Some hon. Members: Oh, oh!

Mr. Lewis: It was the Prime Minister who suggested—

Mr. Speaker: Order, please.

Mr. Lewis: It is up to him—

Mr. Speaker: Order, please.

Mr. Lewis: I, for one, will not accept this kind of dishonest twisting of words.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. It seems we are continuing the debate between the Prime Minister and the hon. member for York South. I have no objection to allowing the Prime Minister to reply to what the hon. member calls his personal question of privilege, but it does not seem that this is a very profitable exercise as far as this House is concerned.

Mr. Trudeau: Mr. Speaker, I think there may be a solution to this. The matter of the Auditor General has been before a standing committee of the House for many months now. It can be brought back to this committee. The committee is chaired by a member of the Conservative party. I have no objection. On the contrary, I would be happy if this whole matter were once again tackled by that committee. As to twisting the words of the hon. member, Mr. Speaker, I assure you that I do not have to do that. His twisted mind does it for him.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. Orders of the day.

• (1520)

GOVERNMENT ORDERS

CANADIAN NATIONAL RAILWAYS AND AIR CANADA

PROVISION FOR CAPITAL EXPENDITURES AND GUARANTEEING OF SECURITIES AND DEBENTURES

The House resumed, from Monday, March 6, consideration of the motion of Mr. Turner (Ottawa-Carleton) that Bill C-4, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways system and Air Canada for the period from January 1, 1971, to June 30, 1972, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company and certain debentures to be issued by Air Canada, be read the second time and referred to the Standing Committee on Transport and Communications.

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, continuing from where members left off on Monday on the CNR financing bill, I should like first of all to say that the remarks of my colleagues which were placed on the record on Monday perhaps cover the major reasons members from the east coast of Canada are taking part in this debate. For the last several years, going back to about 1965, I have had occasion to travel from St. John's, Newfoundland, across to Edmonton, Alberta on Canadian National Railways and, of course, since then on dozens of occasions have indulged in trips from the Maritimes to western Canada as well as from the Toronto-Montreal area back and forth to Ottawa. I am always fascinated by the pronouncement which seems to highlight the advertisements of Canadian National. In their advertising program, they state that they are involved in building the Canadian dream.

Mr. Speaker: Order, please. May we have order, please. The hon. member for Gander-Twillingate has the floor, but there are so many conversations being carried on that it is very difficult for the Chair to follow the hon. member's interesting pronouncements.

Mr. Lundrigan: Mr. Speaker, it is indeed a contradictory situation we have this afternoon. Some hon. members cannot keep quiet, and some other hon. members have decided to rest in peace. It is an unusual House. I have never known the House to be quite so lively in some respects, and quite so dead in some others. I remember an occasion on which I was travelling by train from Toronto to Ottawa. I got on the train and was escorted to one of the most luxurious cars the Canadian National has. It is a space-age car in which you have several levers to adjust your seat. It is a beautiful car with most luxurious upholstery. I was in the wrong place by the way, because my pass only permits me to travel in a second-class compartment. Without having paid the difference in the price of the ticket I was placed there.

Before getting shoved into the second-class I observed a beautiful thing. Along came a porter with hors-d'œuvres, shrimp, mushrooms and other doodads. Then, there were drinks and a person came along with white towels asking what time the passengers would like to dine. He spoke about the menu and asked whether we would like roast duckling with some kind of a sauce, an orange sauce perhaps, although I am not familiar with such things because I come from a fishing community. The service included all kinds of things which someone from the east coast would never have believed existed.

A few days earlier, I was getting off a bus in Newfoundland, also operated by the Canadian National Railways. A person needs to have a figure no larger than 34 inches in order to squat in the seats. There is one small bathroom in the rear which my colleague from St. John's West described. There is one lavatory for 39 persons. The comparison between this type of bus service and the luxurious train service is unbelievable. The fact is that the CNR provides a particular type of service for the urban parts of Canada and downgrades the service in the rural parts of Canada. The evidence of this is overwhelming.

The right hon. gentleman from Prince Albert (Mr. Diefenbaker), and other members from western Canada, complain daily about the elimination of substandard rail services into small towns and the difficulty this causes throughout rural Canada. I have always contended that the government, through various programs including programs of the Department of Regional Economic Expansion, is involved in the downgrading of rural Canada and the encouragement of a drifting toward urban centres. I think it is quite natural for people to look to areas of opportunity but I do not believe any government or any corporation has the right to bring in programs whereby the people in rural parts of Canada are placed at a disadvantage. Basically, this is what is happening because of the attitude of the government.

The government has an unstated policy which is realized only if one is sensitive to the formal policies which destroy rural life. In my area, several hundred communities are suffering and many of them could have been viable communities if there had been specific emphasis placed on rural development. In western Canada we see tumbleweed blowing down deserted streets. We see houses closed and dilapidated buildings. This downgrading of rural Canada is contributed to by the type of assistance policies we have in this country. I recall that my colleague pointed out many examples where Canadian National especially, and CPR, have specifically eliminated rail services which has led to the early discouragement of any interest in housing for those communities.

In our province we have a very serious situation. In 1968, I believe on June 3, Order R 2673 was issued which allowed Canadian National Railways to discontinue its rail passenger service. That order was upheld by the Canadian Transport Commission. Because of a loss of $900,000 which was experienced in the last year of operation the government of this country through its official agency the Canadian Transport Commission eliminated the rail passenger service. This was one of the most tragic things which has happened to our province since it became part of Canada in 1949. This is not a matter involving only the Canadian Transport Commission. Perhaps I am exaggerating slightly, but I contend that there has been a plot between the Canadian Transport Commis-

sion, the CNR and this government to eliminate this railway service, as well as many others.

We have raised this matter from time to time with the Minister of Transport (Mr. Jamieson) who has not poked his nose in the House since this debate started. He is supposed to be piloting this bill through the House. When we raise the question with the minister he says it is a matter for the Canadian National Railways and because it is a Crown corporation he cannot interfere. Then, when we raise the question with the minister again, he says the matter has been reported to the Canadian Transport Commission and he cannot interfere because the Canadian Transport Commission is a regulatory body which has a particular type of omnipotence. Then, if you go to the Canadian Transport Commission they say they have no authority because the act states that they must behave in a certain manner. Because the CNR is afraid to offend the minister, because the Canadian Transport Commission is a creature of the minister and because the minister refuses to become involved in these problems since other agencies have jurisdiction, the end result is that jointly the minister, the Canadian Transport Commission and the CNR are carrying out a process of downgrading rail services. They have already eliminated completely rail service in one province. We will fight this decision as long as we have breath.

• (1530)

We have already indicated earlier in the week what we have done. In 1968, when the decision to abandon the service was brought before the Canadian Transport Commission, we protested against it. Our people did so unanimously. We considered that Canadian National should have moved in, upgraded the railbed and cleaned up the cars. Nobody would have believed how calculating the CNR people were. They are not even in their usual place in the gallery today listening to the complaints, because they do not pay any attention to them anyway. The fact is that for about two years prior to the abandonment of the railway passenger service in 1968, the CNR deliberately started the downgrading process. They did not clean the cars on the outside, and the inside was repulsive to anybody who wished to get on board one of these trains. The end result was that people stopped using the service.

After a couple of years of this, the CNR decided that they had sufficient statistics to show that the number of passengers using the service was reduced, so they applied to the Canadian Transport Commission for permission to abandon that rail line and the CTC agreed. We have never been able to uncover the reasons for this decision, but I hope that one day, with a new government in Canada which will face the facts honestly and openly, we can bring the czar of transportation before a committee of the House. I am referring to the man who is now in the $40,000 a year job as president of the CTC. This person should give sworn testimony before an appropriate committee where he might admit that there was some kind of plot between the then provincial premier, the CTC and the then minister of transport to eliminate the rail passenger service. There had to be some agreement among them. Perhaps the provincial government at that time said, if you help us with the trans-Canada highway or give us a grant of so many millions of dollars, we will not oppose the abandonment of the system.

Unless there is some skulduggery behind the scenes, there is no way in which the CTC can justify its decision in 1968 to abandon one railway system in one province which had a deficit of less than $1 million, and refuse to abandon railway systems in two other provinces which had deficits of $15 million a year. We agree that the rail passenger service which serves Nova Scotia and New Brunswick should be maintained and upgraded, because it serves as a vital passenger link with the heartland of the nation. However, you cannot say, on the one hand, that one system is to be abandoned which had deficits of less than $1 million and which served one province, while another system having a deficit of $15 million and serving two other provinces with a population a little more than twice as big as the province of Newfoundland should be maintained. Something must have gone wrong somewhere. The transportation system in Newfoundland is not a minor thing; it is of major importance. We in the Atlantic region have need of an efficient, well serviced and cheap transportation system that will link us with the central industrialized parts of Canada because we are far from central Canada and we must have good transportation.

Back in the nineteenth century Canada said that tariff systems and trade policies would be designed which would encourage the growth of the less industrialized parts of Canada. We agreed with that. At the same time, the Atlantic region was left in the position of depending basically on raw resources, so we are in great need of a system whereby our products can be brought to the large population centres of the world and certainly to the large population centres of our nation. Therefore, much more emphasis must be placed on rail transportation.

My colleagues from Nova Scotia have commented on the increased freight rates in the Atlantic region. There have been several increases in the last few years and another one is to take place in a few weeks time. There is no way in which you can carry on an effective policy of regional development in the Atlantic region in the face of this kind of discrimination. I tell you, Mr. Speaker, that members from western Canada must have the same attitude because this is one of their great disadvantages. I have listened to my friends in the cattle industry, such as the distinguished and honoured member for Crowfoot (Mr. Horner), as well as other hon. members speak about their need for a reassessment of the freight rates and about the cost of transporting their produce to the heartland of Canada.

These are the kinds of things which we would like the CN to consider. The attitude of the people in managerial positions in the CN is rooted in the eighteenth century. They do not understand the word "service". They dislike any innovation, change or progress. If you speak to these people now you will find that they have not heard of the word "service" except in areas where they have brand new, sophisticated systems serving perhaps a few of the heavily populated central Canadian areas. These people are still treating the rail system as the traditional mode of transportation, and in many cases the only mode of transportation, but they have not kept up with the times.

My colleague, the hon. member for South Shore (Mr. Crouse) was telling me a couple of days ago about some of the advances in the railway system in Japan. He mentioned the unirail system with which I am not very familiar. Countries like Japan are 100 years ahead of Canada in this respect. They have integrated their road and railway systems in the phenomenal engineering feat of the unirail. I wonder if anybody has thought about adapting this concept to Canadian conditions. I wonder whether the CNR has seriously considered this phenomenal engineering feat, whether they have conducted a sophisticated cost analysis to justify putting it into operation in certain parts of Canada, such as the provinces on the east coast, an area which is fast becoming a haven for people who want to live a more relaxed kind of life in a different environment. What vision do they have?

Back in the 1870's we had John A. Macdonald who spoke about building a railway across Canada. People must have thought him a nut to be talking at that time about building a railway across uninhabitated areas, across the Rocky Mountains. In 1885 they drove the last spike and the whole country was joined together by the silver rails. But in 1968, those great promoters of the CNR decided they would abandon the whole passenger service in one province. They do not seem to be able to find ways to upgrade the roadbed and to build new coaches to attract tourists. Yet, the Ontario government did so in 1902. Perhaps hon. members will recall that the Ontario Northland railway was built then. There was prospect for development there. They opened up the great mines in the southwestern part of the Canadian shield as a result of the building of this railway which is one of the few railways in the world which makes money. The area is a great tourist attraction. Between the middle of June and the middle of September you cannot get a place on the Ontario Northland railway. I believe it is called the Polar Bear Express.

At that time, back in 1902, people with vision realized that with the beauty in that part of Canada, and with its potential, this could be a paying proposition. Today it is actually making money. If anybody would like to take the time to write to the Ontario minister of transportation he could obtain new, beautiful annual reports showing that this railway works. Why can the federal government, through its national agency of the Canadian National, not adopt such an attitude and explore such a possibility? The tourist potential is unlimited. The railway in Newfoundland would have been the only narrow gauge railway in the western world. My colleagues, the hon. member for St. John's East (Mr. McGrath) and the hon. member for St. John's West (Mr. Carter) spoke about building a wide gauge railway. Perhaps that is farfetched, but has anybody ever explored it? We have a serious unemployment problem. According to DBS statistics 18.5 per cent of our people were unemployed in January. Why cannot this be looked at as a possible way of putting thousands of people to work? Can it pay dividends? Can it open up access to resources, to our forests, to our minerals, and provide transport for those products as well as for our fisheries products to central Canada and the eastern seaboard? I do not know, Mr. Speaker. But I ask, has anybody ever thought about it?

• (1540)

All we get from the government is the reply, "we have abandoned this service in accordance with the act." We will have to wait until hell freezes over before the Prime Minister and the government display a flexible attitude to our province. They always look at it in terms that we have only half a million people and 200,000 square miles of territory. We have a vast hinterland with very few people inhabiting it. This is the main reason we cannot make a greater financial contribution to the people of Canada.

In this respect government members have a narrow-minded, introverted, reactionary attitude. I say to you, Mr. Speaker, and through you to the people of Canada, that during the next decade the true worth of the resources of that part of Canada will come to be realized. It is only a matter of time until using our marine resources on the continental shelf, the unbelievable mineral resources of Labrador and Newfoundland, the forestry potential of that vast hinterland, the equally unbelievable hydro development potential, now coming into effect with the billion dollar power plant at Churchill Falls, Labrador, we will contribute our full share to the rest of the country. This is all the more reason for the federal government to look at our problems in the broadest possible perspective.

I say that men like the member who for years represented the constituency I represent are betraying the people back on the east coast. They are doing that by permitting this kind of attitude to develop. Such a person becomes very popular when he can go into the Prime Minister's office and say, "In Newfoundland we have just saved you $900,000," or go into the office of the Minister of Transport (Mr. Jamieson), who in effect is his boss, and tell him, "We have saved you $900,000." Wouldn't that put him in a position of prestige and authority? That type of attitude has to go, Mr. Speaker. The type of attitude displayed by the Canadian Transport Commission, the Department of Transport and the government, has to go. We need more perspective, more vision, more foresight.

Only today I was informed once more that there has been another train derailment, this time at Jasper in the northwest part of the province of Alberta. We had three derailments last week in the province of Quebec. Twice during the Christmas recess I attempted to travel by rail in Ontario, and I was impeded by derailments. Once returning from Newfoundland during the air traffic controllers strike, I was impeded by a train derailment somewhere in Nova Scotia. Every week we hear about train derailments. My colleagues who know about railroads tell me that this is the result of the Canadian National cutting back on its section men, and on the extra gangs it once hired. The end result is that the modern day, heavy trains cannot carry their loads in safety. If this trend continues, it will only be a matter of time until the Canadian National can justify the elimination of all rail lines.

If the Canadian National management are only interested in qualifying for the 80 per cent subsidy from the Canadian government, all I can say is that this is a hazardous way of going about it. They are downgrading their own roadbeds, their service on the railways, and the small railway stations. Has anybody here ever gone into a small railway station in the year 1972 and thought he was back in the year 1880? You have to bulldoze your way into the

small toilet. In the waiting room there is the same old hard bench that was always there. There is no telephone and in most cases no heating. Then, CN management comes to the government and says, "Here is what we have got. It's an awful mess. We have to eliminate it and close it down." But the government replies, "You don't have to do that because we will pay you 80 per cent of your losses." That is the kind of progressive management that there is in the CNR today.

I was 17 years old when I had my first opportunity to work away from the beautiful east coast haven of rest and relaxation in which I was brought up. I went to Knob Lake, or Schefferville, Newfoundland, on the border with Quebec, which is about 360 miles north of Seven Islands. I went to work on the railroad. I was driving spikes and shovelling ballast, and helped to build up the railyard that serves the iron ore mines at Schefferville. We wore our caps and our badges. We were proud of ourselves. We were railwaymen. I felt the old spirit myself, even though I was only a young fellow. But today when you talk to railwaymen across the country you find that the railways have adopted a policy of not replacing anyone who passes on. What do you call that?

Mr. Hees: Attrition.

Mr. Lundrigan: The railwaymen are all in danger of losing their jobs. Those same men who were proud builders of the Canadian nation are today the most demoralized labour group in Canada. This kind of thing must be taken seriously. Every year when we get this CNR joke, and it is only a joke, Mr. Speaker, we stand up and debate it. I note that there is nobody up there in the gallery today, although there are usually half a dozen $30,000 a year CN men there. Perhaps I should not be too harsh because I have some friends in the Canadian National. Anyway there are usually half a dozen of them up there taking notes. Then, they come before our standing committee. They have a well calculated plan to present. Members question them, then they go away, and the following year we go through the same exercise. We are getting a lot of complaints as a result of the tremendous frustration experienced by Canadian National employees. The government has to take a close look at the situation.

This is a purely personal view, Mr. Speaker, and I am not putting it forward as representing the view of my party or of my party's spokesman on transportation. I would like to see some kind of very special inquiry set up to have a look at the Canadian National, a look at their attitude, their management, their progressiveness, their vision, their plans and the programs they have in mind for this country. In this context the building of the Canadian dream was the biggest fraud ever seen perpetrated on the Canadian people, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Ross Whicher (Bruce): Mr. Speaker, I first want to tell you how much I am in agreement with the hon. member who just spoke. It is most unusual in the House of Commons when members on both sides are really in agreement on a particular topic. Any member of any party who has his eyes open must agree that passenger service and rail service generally, not just in Newfoundland but throughout the whole of Canada, are in a most deplorable mess.

The previous speaker mentioned the abandonment of railway service in the great province of Newfoundland. I, who come from what many call the heartland of Canada, Ontario, can tell you that rail service there is as deplorable as it is anywhere else in the country. It is equally deplorable right in the capital city of Ottawa. About two weeks ago I had to meet a passenger coming in from Winnipeg, but because of a derailment the train was 12 hours late. Instead of arriving at a quarter to five in the afternoon, it arrived at twenty to five in the morning. In this capital city of Ottawa, the railway station closes at midnight, so if a train is delayed after that hour you can try phoning the station about it but you will not get an answer.

• (1550)

People are completely dissatisfied with the way the Canadian National and Canadian Pacific are operating. Only a few months ago I was in Union Station in Toronto, which the CPR and CNR are thinking of remodelling or rebuilding. But why, when they do not look after the building they have now? My friend was talking about the trains that Sir John A. Macdonald started a hundred years ago but when I was in Union Station only three CP trains per day were coming in. It is a disgrace that we let the railways of Canada get away with this.

My hon. friend spoke about the Japanese trains. I was in Frankfurt, Germany, two or three years ago and at that time 800 trains per day moved in and out of that station. But the Canadian Pacific, which has the gall to call itself the greatest transportation company in the world, had three trains per day going to Union Station in Toronto. My hon. friend made a case to show the people of Canada that our railway system is in a terrible state, but he did not say what should be done about it. We can blame the government or the Chairman of the Canadian Transport Commission, but the brutal fact is that as a result of legislation passed in this House over the years, the railway companies have parliament exactly where they want it. They eliminate services, and not just passenger services. You should see the condition of some of the cattle that arrive in my area from western Canada. Sometimes a few are dead and the farmers have a hard time getting satisfaction from the Canadian Pacific or Canadian National.

We have to do something about this, Mr. Speaker, because as my hon. friend said, the Canadian Pacific Railway and the Canadian National Railways are laughing at us. It is high time that we in this House of Commons let the railway systems of Canada, and the people of Canada, know who is boss. Up to the present the railways have shown that they are.

Mr. Horner: Tell us about Pickersgill and his job.

Mr. Whicher: The railways have an obligation, not just to the House of Commons but to the people of Canada. When I watch a football game on television and see the Canadian Pacific advertisement about trains going across Canada—"Another Way in Which the Canadian Pacific is Serving You"—I say it is nonsense. The only people they serve are those at the head of the CPR and the stockhold-

ers. There is nothing wrong with being a stockholder. The CPR is a great organization and in many instances has done a good job.

However, both the Canadian National and the Canadian Pacific have failed the people of Canada by not providing proper railway systems. They have obligations. They made a deal, not with the government of the day but through the government with the people of Canada, the people in my riding of Bruce and in the provinces all across Canada. The Canadian Pacific said "We will give you perpetual service for X number of dollars and X millions of acres of land". In its wisdom, the federal government gave the Canadian Pacific Railway $25 million and 25 million acres of land. That is a lot of land and today the Canadian Pacific has oil wells, gas wells, big hotels and everything imaginable, the returns from which go to swell the coffers of the company. The railway company signed agreements with little municipalities across the country. These little municipalities, such as the one I represent, gave $10,000 or $12,000 in return for a guarantee perpetual service. But that service is not being given, Mr. Speaker.

If the mortgage on my house were held by a private individual and that individual were to die during the term of the mortgage, would that mean that I would not have to pay his heirs? Of course not; I would have to pay. The Canadian Pacific guaranteed perpetual service for so much money. But if I did not keep up the mortgage payments on my house, the house would be taken back. That is the way in the free enterprise system. The Canadian Pacific Railway is one of the largest free enterprises in the whole world. They guaranteed a service which we did not get, so let them give back the money and give back the land. Let the municipalities go to the Canadian National Railways and get their money back, plus the interest. You may think this is a foolish idea which could not be implemented, but the only thing these money barons understand is a dollar bill. If we demand the return of the money because their signature is on the deal, then I think they might attempt to give the service that is required.

We do not need rail lines in every part of Canada, of course, but there is no reason for not having service into the city of Toronto with two million people or Montreal with around three million people. I am sure that my hon. friends from Newfoundland are not asking that the railway serve every village and town. What we all request is a reasonable service. When the railway service was eliminated in the area I represent, the railway companies and the bus companies were in cahoots. The bus companies guaranteed to the public and the Canadian Transport Commission that they would look after transportation for the area. As far as the bus companies are concerned nothing has been done and the railway companies have stopped giving service.

I will go as far as to say that the deal the railways have given to the people of Canada is just legalized robbery any way you look at it. If I were head of either the Canadian Pacific Railway or the Canadian National Railways, I would not be able to face the people of Canada after what they have done in this great country of ours.

Mr. Les Benjamin (Regina-Lake Centre): When speaking on Monday on this bill the hon. member for Moncton (Mr. Thomas) said that this is the annual exercise in futility. I do not know if I would go that far, but certainly it is the annual bite placed on the people of Canada for funds for Air Canada and the Canadian National Railways. Every year we go through this process and deal with this kind of measure, the only difference in the script is the amount of money involved. Every year we see the spectacle of the Parliament of Canada bailing out the CNR with respect to debt charges that the railway should not be expected to carry. Ever since its formation in 1923, the deck has been stacked against the CNR. The government of Canada bailed out entities that operated as financial and economic pirates between 1900 and 1920. When the small railways that now make up the CNR went broke, we bailed them out by buying them up; and we are still paying.

• (1600)

Some of the money provided by this bill is for the payment of a deficit resulting from the interest incurred on the original debt, a debt that has been charged to the CNR, quite improperly in my view. I submit that the original mortgage indebtedness of 1923 ought to have been refinanced, for I submit that the original mortgage debt has been paid off. The Canadian National Railways system has been in debt long enough. It has been kept in debt all this time under the present set-up. I submit that the system ought to be permitted to show a profit, so that it need not come to parliament for help. Parliament should not have to bail out that system as a result of deficits incurred by reason of interest paid on debt.

May I mention the speech made the other day by my friend, the hon. member for Moncton. He was the lead-off speaker of the official opposition. If he has always believed what he said, I am proud of him. If he is newly converted to the ideas of the NDP, I am even prouder of him, for in the course of his remarks he enunciated a philosophy with which we have concurred for many years. What he said we have advocated in this chamber ever since my party first sent members to this place way back in 1935. I should like to quote one paragraph from the speech of the hon. member for Moncton. He said, in part, as recorded at page 546 of *Hansard*:

> Surely, the government owes the people of this country the duty not only to listen to their complaints but to take some action on them.
>
> This is where the government has failed the people of Canada shamefully. This is where a good share of the responsibility lies for failing to develop a national and rational transportation policy that is based not on profit alone but rather on the concept that transportation is essential to Canada, that where necessary services must be subsidized, whether they be in the form of highway, rail, air or water transport. The profit motive is important, but it should be secondary to the concept of providing essential public services.

The last sentence in the paragraph reads, "The profit motive is important, but it should be secondary to the concept of providing essential public services." I agree. I submit that so long as we maintain a rail transport system that is partly publicly and partly privately owned, a system whose primary concern is the making of profits and whose secondary concern is the provision of service, we will continue experiencing the kind of grief with regard to rail operations that hon. members of this House have been complaining about for 30 or 40 years.

I was also interested in the remarks of the Leader of the Social Credit Party, the hon. member for Témiscamingue (Mr. Caouette). Last Monday in his remarks he brought out some of the old shibboleths and myths which have been bandied about by those who for many years have opposed public ownership of transport facilities. At page 553 of *Hansard* he is reported as saying:

> Since the private sector prospers, we must nationalize it at once so that it may lose money.

He went on to say:

> We should not nationalize the Canadian Pacific; instead we should sell the Canadian National to the Canadian Pacific because the latter operates at a profit.

May I remind that hon. gentleman, Mr. Speaker, that he has conveniently forgotten a few things. Of course, the CPR operates at a profit, and for a good reason. It started out with a grant of 25 million acres of land and $25 million in cash from the people of Canada. It started out with that kind of advantage. The dice were loaded in favour of the CPR. When it was established, it did not bear an unfavourable financial burden. It started out in a way that is exactly opposite from the way the CNR started out. When the Canadian National Railways system was established, that system took over the debt, amounting to some $1 billion, of several bankrupt railway companies. Yet, the hon. member for Témiscamingue has the nerve to say that the CPR always makes a profit and that, therefore, it should take over the CNR because the CNR loses money.

What kind of logic is that? If the hon. member were to look at the financial statement of the CNR, he would find that the facts are opposite to those he has suggested. Canadian National Railways has been showing profits. As I say, all the hon. gentleman has to do is look at page 46 of the 1970 Annual Report of Canadian National Railways. That report shows the performance of Canadian National Railways during the past 25 years, between 1946 and 1970. And, Mr. Speaker, for the edification of that hon. gentleman and anybody else who thinks that the CNR is always operating at a loss because it is a publicly owned system or who thinks that in the last 25 years the CNR has shown only deficits and not profits, let me say that in 22 of those 25 years the system has shown net operating profits. The record year was 1956, when the system made $57,860,000 in profits. However, Mr. Speaker, when the interest on the debt was charged against that $57 million operating profit, the net result was a deficit and the parliament of Canada had to vote another $26 million to cover additional interest on that debt. This has been the situation for the past 25 years. I suspect that if one were to go back and examine the record between 1923 and 1946, one would find that the system enjoyed operating profits comparable to those of any other rail system in North America and, in most cases, better than those of any other rail system in Canada.

I submit there is ample evidence to show that the one publicly owned railway of any consequence in North America, Canadian National Railways, has set the best example in terms of operating efficiency and operating profits. Those who continue to oppose blindly public ownership of any kind like to bring forward half-truths in support of their argument. They leave out some of the facts relating to the Canadian National Railways system.

[Mr. Benjamin.]

I, myself, have many criticisms of that system. The one brought forward by the hon. member for Témiscamingue was not justified and was not truthful.

The whole issue of public and private ownership of transportation has been debated for the last 50 or 60 years in this country. The CNR became a publicly owned railway system, not because any government showed any desire to acquire a publicly operated railway system, but simply because at least three privately owned railways went bankrupt and the government, having provided guarantees to those entrepreneurs, to those fancy free-enterprisers, was stuck. The people of Canada have been stuck ever since. That is how the CNR was established as a publicly owned corporation. It was established, not because of any essentially good principle involving the public ownership of essential public services, but only because the government of the day had no choice.

One of the railways of that day was the Intercolonial Railway, which was publicly owned. Its operation was carried on from the office of the minister of railways and canals with an extravagance of partisanship in the granting of rate preferences and in the giving of employment to party friends that was considered scandalous even by the relaxed standards of the time. By 1910 people were beginning to wonder whether some kind of insulation against the grosser froms of political pressure could be devised. One of the arguments for the creation of Canadian National Railways was that it would do just that. People wanted to do away with pork barrelling and the granting of special rates to friends.

• (1610)

The National transcontinental line was built by the dominion government to very high physical standards and with a great deal of plain and fancy graft for friends of the party in power. Nominally, it was to be leased to the Grand Trunk Pacific, after completion. In fact, the parent Grand Trunk had an interest in getting a connection between its lines in Ontario and Quebec and those of the Grand Trunk Pacific running west from Winnipeg. Therefore, the whole of the line east from Cochrane through Levis to Moncton was a purely political job. Whatever else can be said of it, no part of this line can be laid at the door of private enterprise. Even in those days, public construction and ownership of railway lines was not undertaken because it was held to be a good principle that the public should own an essential public service. It was done for political purposes and for political purposes only. The Grand Trunk Pacific was financed finally on the basis of government guarantees. The manner of construction and the price of the Prince Rupert terminus were both decided by the government. It is perfectly true that the management of the parent Grand Trunk was not good; but even a good management might not have been able to create a viable enterprise under two such handicaps.

We listen to speeches made by the hon. member for Témiscamingue and others suggesting there is something fundamentally good about private enterprise and something fundamentally bad about public enterprise. He and his friends support the free enterprise theory, the theory that you make it on your own, put up your own money, show initiative, and so on. If you succeed, well and good; if you go broke, well, you have taken your chance, it is too

bad, try again. That is the theory. What happens in practice is illustrated by the case of the Canadian National system. It has happened many times in the practice of the mythology of private enterprise. The entrepreneurs start on their own. They "con" people into buying shares in their ventures. Their friends buy bonds and shares. Large corporate financial institutions invest in those bonds and shares. The company gets government guarantees and then goes broke, as in the case of at least three of the railways in the early part of this century. They don't lose, they get their money. The groups who bought stocks and shares get their money, and the public pays.

This is what happens too often in practice. The people I am talking about are the first to yell about the value of initiative and private enterprise. But when they are in trouble, who runs to the government to be bailed out? They are the largest welfare recipients in the history of this country. When I hear some dinosaur complaining there is too much welfare available, too much public assistance, I cannot help being amazed, because the amount spent on public welfare is infinitesimal compared with the sums handed out to corporations who run to this government and who ran to the previous Conservative government to be bailed out. Any damned fool could be a private enterpriser under that kind of a deal, and a lot of people in Canada have been made damned fools of by bailing out these bankrupt corporations. And we are doing it now. The government to this day makes grants in the order of hundreds of millions of dollars to private corporations, the officers and boards of directors of which decry socialism and state intervention. What a bunch of nonsense! They are the first to go pleading for help. This applies to all the social aid cases who reside in boardrooms and have done so ever since this country started.

Canada's rail operations are handicapped because of the kind of national transportation policy under which they are working today and under which they have been operating since confederation. I wish to illustrate this point by drawing attention to some of the areas in which rail service has deteriorated or ceased altogether. All these things have gone on—the closing of railway agencies, the cancellation or curtailment of branch line services, or ceasing of schedule train services, which means the railways can run a train whenever they feel like doing so. With respect to certain types of freight and express traffic, railway services have virtually disappeared. As I say, all these things have gone on, particularly since the end of the second world war. The private enterprise railway was not interested. It wanted the gravy. It did not want to give a service. In the case of the publicly-owned railway, it had no choice because of the financial arrangements under which it had to work and the unfair competition which it faced. It had no choice but to decrease services; it was necessary in order to show members of parliament and the public generally that an operating profit had been made.

May I give a few examples? I suppose the most horrendous and the most recent was the application to close a total of 76 railway stations in Saskatchewan and Alberta in one fell swoop. Four members of parliament, an hon. member from the other place, mayors and town councillors from dozens of communities and representatives of the province of Saskatchewan all appeared at three successive hearings in Saskatchewan opposing that application. The Canadian Transport Commission Railway Transport Committee handed down its decision a week or two ago. It chose to ignore or discount the representations which had been made to it, and granted permission to the railway to close these 76 agencies by the middle of this month. When I asked the Minister of Transport (Mr. Jamieson) whether he would get his cabinet colleagues to intervene and disallow this order, it was evident that he did not even know whether he could do so or not. I hope the parliamentary secretary will remind him that according to the act itself, the cabinet has authority to overrule the Canadian Transport Commission. This is the most recent example of the decisions we are getting from CTC, decisions which fly in the face of the needs of the Canadian public.

I want to be so brave as to read a little of the brief I presented to the Commission, outlining what I thought should be done to continue to provide service at those agencies while, nevertheless, reducing costs and improving efficiency. I am not suggesting for one minute that all 76 of those agencies should or could be kept open, but when one sees the railway wanting to close agencies in towns of 500, 1,000 or 3,000 people, it is obvious something is wrong. And when we see a docile transport commission agreeing to this proposal as rapidly and as easily as it did, here is more evidence that something is fundamentally wrong.

The claim by the Canadian Pacific, and latterly by the CNR, that the so-called customer service centres are giving better service and are resulting in more business is not borne out by any evidence which I, or any member of this House or the Canadian Transport Commission have been able to get. I submitted in my brief at the hearing at Wynyard, Saskatchewan, that if the Canadian Pacific Railway, for example, was correct in its assertion that in other areas of western Canada where customer service centres had been inaugurated dozens of agencies were closed, the customer service centres were in fact providing better services and resulting in more traffic, it was incumbent upon the railway to provide to the commission, to the public and members of this House the revenue earnings at each of the stations for forward and received, carload, less than carload, freight and express, number of telegrams sent and received, number of tickets sold and passenger revenue, before those stations were closed.

• (1620)

Then, what we would like for the Canadian Pacific customer service centre in Regina, for example, is the revenue earnings, number of shipments for each of the stations now closed, what the revenue has been since they were closed and served by the so-called customer service centre. These figures can be obtained. It would mean that Canadian Pacific would have to put a lot of people to work going through every single waybill and ticket stub issued since the customer service centre opened. But I suspect very strongly that the Canadian Pacific railway have not kept those figures separate, that they cannot at this point in time tell us what the revenue is at each of the stations. This is very convenient from the company's point

of view. It conveniently disposes of the kind of evidence that we need. It is the kind of evidence that I submit CPR does not want to present. All the revenue from stations like Milestone, Yellow Grass, points north, south, east and west of Regina, is lumped into one bag at the customer service centre at Regina.

I and many others will continue to oppose these applications. Canadian National has one now pending to close a large number of stations in Saskatchewan. We will oppose that application as hard as we opposed the one made by Canadian Pacific during the winter unless they can present evidence to show that those customer service centres are in fact providing better service and earning more revenue than they provided prior to making the application to close these agencies.

As one who was a station agent for 15 years and worked in the CPR's dirty old stations under their archaic rules, watching the day to day operations of the railway I can only say it was a "helluva" a way to run a railway. In my opinion, since the second world war the CPR, followed by the CNR, has pursued a deliberate policy that has had the end result of relieving the company of any responsibility for providing carload or less than carload, passenger, telegraph and other ancillary transportation and communications services for hundreds of communities along dozens of branch lines in western Canada. One can only come to that conclusion having watched first hand the CPR's attitude over the last 25 years, its failure to modernize its buildings and re-equip its stations in scores of communities.

I remember that for years after electricity came to the town I was living in when I was a station agent, the CPR was still burning coal oil lamps as well coal in old heaters. And they expected the public to rush to give them business when they had those kind of facilities. Why should they? That sort of thing helped to drive people away. The infrequency of trains, or for that matter truck service, coupled at the same time with rates that were always higher than their trucking competitors, resulted in a fall in business and this in revenue. The company then comes to us and pleads poverty, says it is losing money, and can they close agencies and branch lines? I submit there is, call it a compromise if you will, but I submit a better way. I hope Canadian National will follow it instead of adopting the same buccaneer attitude shown by the CPR toward the Canadian people over the years.

While I agree that there is no point in trying to maintain open agencies at little villages and hamlets of 50 or 100 people, there are viable communities of significant size of 300, 500, 1,000 people that will support an open transportation agency. I should like to suggest that for these middle and larger sized rural communities, not only on the Prairies but right across Canada, there be established a transportation and communications service centre that would provide a completely integrated service for local communities and neighbouring smaller communities.

I suggest that a community transportation and communications service centre should offer the following: loading and unloading facilities for carload and less than carload freight and express, both rail and truck. It could also be the bus terminal. If the particular community is on a bus route of one or more bus companies, it could also be

the bus terminal. It would have rail and bus express facilities, telex and telephone service. Have you ever driven into a small rural community in the middle of the night, Mr. Speaker, and been unable to find a telephone or even a pay booth? Do you realize that with the exception of the nine cities and the handful of larger towns there is no place else in the whole province of Saskatchewan where you can send or receive a written message? This community transportation and communications service centre could also offer a fairly large selection of freight, express and passenger tariffs for all modes of transportation, be it air, rail, bus or truck. If any tariffs were not to hand, the agent at that transportation and communications service centre could quickly obtain access via telex or telephone to the tariffs he did not have.

The public would be able to ship anything they wanted. The public would be able to buy any ticket they wanted, whether bus, rail, steamship or air line. This transportation and communications service centre would be staffed by 2 or 3 people, of even one man, who would serve not only the public in that community but would be required to visit neighbouring small communities to solicit business, look after claims and call on customers, as opposed to the attitude that is presently being shown by the railways. At the moment if you ask them to ship an article weighing 1,000 pounds, the railway treats you as though they are doing you a favour, mostly because they do not have either sufficient facilities or service. In addition, they have rates that scare you away. I recall one time when the CPR was going to put a minimum rate of $4.85 on a five gallon can of cream. I was a station agent at the time, so I looked up the tariff and found I could ship that can of cream on a lower berth much cheaper.

Such transportation and communications service centres in these communities would be part of the local scene. They would have the advantage of being closer to and more readily available to the public. The businessmen of the area would know where to go to forward and to pick up shipments. At the present time packages are dumped on the street or in front of a general store, which is closed, or beside the railroad track. If you are lucky you will receive a postcard telling you there is a parcel waiting for you at the side of the ditch in Gopher Gulch 15 miles away.

At a transportation and communications service centre the public would be able to make reservations. They could purchase passage tickets for any mode of transportation. They could send or receive a written message, which in most parts of rural Canada they can no longer do. They could enquire and obtain information primarily about rates and conditions of carriage. These are a few of the many facets of services that could be provided with a real public service rail transportation system in Canada.

• (1630)

Mr. Gleave: Which we had at one time.

Mr. Benjamin: I agree we did have such services at one time. This situation has only developed since World War II when the private enterprise theory in particular was put into operation by our railway system.

Another thing this transportation communication system would do would be to serve all inter-line traffic. If both railways went through the same town, one facility would serve both railways, and the local trucking companies and trucking companies from neighbouring cities. All modes of transportation would use that transportation and communication service centre, including telephone, telex and teletype. I believe this would make sense, particularly in a country like Canada which is 4,500 miles wide and only has a population of 22 million. It is more necessary for a country like ours than a country which is densely populated.

No doubt much of what I propose is not new. I am sure it is not. It was presented in a formal way to the Canadian Transport Commission which did not even have the courtesy to inquire into or look at it. When questioning me, the fancy-pants Canadian Pacific lawyer asked me if I hated the CPR. Even if I did, I do not know what that would have to do with it. I replied that I did not hate the CPR, but I was thoroughly disgusted and fed up, not only with the CPR, but with the government and parliament of Canada for continuing to try to operate a railway system on the basis of profit first and service second, if at all.

There is something else that is necessary in a country like Canada which has millions of square miles and only 22 million people. A freight rate equalization system would do more for our economy than almost anything else we could do. A manufacturer of stoves in the Maritimes, with its head office in Quebec, closed down. This was a good make of stove. I bought one when I got married. In fact, I burned CPR coal in it. It is not only logical and in the national interest, but it should be a deliberate policy of the government and parliament, to provide that if it costs $25 to ship a stove from Halifax to Vancouver and only costs $5 to ship it from Halifax to Moncton or whatever part of Canada that stove is shipped, the rate should be $12.50. By operating the freight rates in that manner, we won't decrease revenue, but we will certainly decrease the disparity in the far regions in Canada, the east and west coasts as compared to central Canada. I submit that equalizing freight and passage rates is essential to the success of a good transportation system in all parts of Canada. It is cheaper to fly to Europe from Toronto or Montreal than from Toronto to Vancouver which is in our own country. The airlines operate for profit but not for Canadians.

In the whole area of research and development, the government and the taxpayers of Canada have expended hundreds of millions of dollars for the aid and comfort of private enterprise, whether it is in the defence industries or in terms of building terminals worth hundreds of millions of dollars for the benefit of private airlines. However, in areas of research and development for the railways, we have done nothing. A few private companies, as well as the Canadian National Railways, have been desperately trying to sink funds which they can ill-afford into research and development in order to modernize and update our train systems. For example, we have the Turbo. I hope the CNR succeeds with this. They will not be able to thank the government of Canada for very much help. We kill and injure tens of thousands of people on the highways every year, and pollute the air in our cities and on our highways, while rail lines sit idle.

CNR and Air Canada

Our grain is not being moved fast enough. I was fortunate to have a discussion last week with a senior officer of one of the largest grain handling companies in Canada. He told me that he hopes somewhere in the CNR financing bill the item for equipment, which I believe amounts to $42 million, will include some provision for hopper cars. He suggested, and I agree, that we now need 5,000 more hopper cars which are capable of carrying 3,000 to 4,000 bushels each. They are needed now. We are still loading old 40 and 50-ton boxcars out west. They are 30 to 40 years old. This is another real complaint.

I have talked to elevator agents in my constituency and in other parts of the prairie provinces. Do you know who is repairing their boxcars? It is not the railway companies. The amount of unfit cars being spotted for loading is a disgrace, yet men in CPR shops are being laid off. There are cars patched with boards and cardboard. Grain is leaking out of them. The farmers are stuck with this. There are thousands of bushels of lost grain due to leakage. This is not only incompetence, but ridiculous.

In building a case against a publicly owned rail transportation system, the hon. member for Témiscamingue found it convenient to refer to the Russian railway system. He talked about the poor service and the dirty cars. I do not doubt his word. I have never been on it. He conveniently forgot that that railway system was totally demolished by 1945 as a result of the war and has been completely rebuilt since that time. That is not such a bad record. He also conveniently forgot to talk about the railways in western Europe, such as those in England and France, which are all state-owned. The hon. member who spoke earlier this afternoon also referred to West Germany in connection with state-owned railways. The government-owned railways of France are providing fantastic service in the movement of goods and people. The turbotrain which travels from Paris to Caen averages 82 miles per hour. They are now working on developing an even faster system. If and when the tunnel under the English Channel is built, the train will travel from Paris to London in two and one-half hours.

The state-owned railways receive funds for research and development. It does not matter whether they make a profit as long as they provide good service. Travellers using the sleeping car service in France and other European countries know that, with the purchase of a special card, their berths cost less each time they travel up to 50 trips in one year. On the 50th trip they travel free. That is an example of the use of imagination with regard to selling rail passage tickets. There are special offers. The French railways offer a particular trip for two people at a cost of $112. The train leaves the Paris station at 5.55 p.m. The passengers are provided with sleeping compartments. The train arrives in Madrid the next morning at 8.48. This train travels at a high rate of speed and is always filled to capacity. This is not the type of short haul one expects in a small densely populated mid-European country. This trip is a long haul.

I notice that Your Honour is about to inform me that my time has expired. In conclusion, it is the opinion of the New Democratic Party and the CCF before it, that Canadian railways should be publicly owned. The Canadian Pacific Railway Company and all of its opera-

tions should be taken over by the people of Canada. I refer to the entire rail transportation system and the auxiliary systems, such as telecommunications, hotels, steamships and truck services. We could provide an integrated transportation system that would have the admiration of many countries of the world. We could set an example. If they should lose money, so what? I submit we can set up this kind of a transportation system which would be a credit to the people of Canada and would provide the type of service to which they are entitled.

• (1640)

The Acting Speaker (Mr. Laniel): Order, please.

[*Translation*]

Mr. Albert Béchard (Parliamentary Secretary to Minister of Justice): Mr. Speaker, while we remember that railways in Canada were built to connect the various parts of this vast land and thus help to melt in steel this unity that had been conceived by the architects of confederation, and also to open new frontiers and extraordinary opportunities to the Canadian economy, it is normal and natural in my opinion for all members of the Canadian family to contribute to their expansion, improvement and maintenance.

It is true that transportation has made huge progress since the first spike was driven to fasten tracks in the late 19th century to bear the first transcontinental train in Canada. Indeed, it took about 10 days at that time to go from Halifax to Vancouver, whereas this distance can now be covered in less than six and a half hours on an Air Canada DC-8 or 747.

Even though air transport companies offer ever lower rates, it remains that this means of transportation may be too expensive for some people. Moreover, operation costs and the remoteness of airports adequate for the various needs of industry and the population throughout the country make it unrealistic in the present context to consider replacing a good and efficient railway system, both for passengers and for merchandise, and equipment, by an air transport system.

The consideration of this bill since Monday by this House gives me an opportunity to make a few remarks which I consider very important on railway transportation.

I decided to take part in this debate and to make the following remarks because the people of Canada and particularly those I represent are tired of the constant threats, whether by way of rumours or otherwise, of abandoning passenger services, reducing services, in my region and throughout the country, which are forever being dangled over our heads.

Long before my election to this House, Mr. Speaker, I had occasion, whether in such agencies as the Chamber of Commerce or as secretary of my municipality during ten years, to gight continually with the management of Canadian National to retain and improve services in my region although the railway was the only public transportation system available.

Progressively, by dint of perseverance, of representations and sometimes even of vociferation, some improvements I shall call major were brought about. Among

others, since I came to the House, the best achievement and the most highly appreciated in the field of railways or common transportation was the implementation of direct passenger train service between Gaspé and Montreal in 1967.

Incidentally, I feel it is proper to ask the hon. Minister of Transport (Mr. Jamieson) or his parliamentary secretary (Mr. Duquet) who is present, to inform the management of Canadian National that the schedule of the train operating between Montreal and Gaspé should remain the same in winter and summer instead of being adjusted to the needs of the Maritime provinces, which I certainly do not blame for this.

However, Mr. Speaker, any concession made by the CN authorities was inevitably followed by worrying decisions on their part, such as threatening to close down stations, reducing the number of key employees responsible for railway maintenance, transferring employees and services from the Gaspé Peninsula—and particularly from my riding—to New Brunswick, to the city of the Minister of Public Works (Mr. Dubé), and so on and so forth.

I would not like, Mr. Speaker, to create the impression that I am opposed to development and progress as materialized by certain steps proposed in the last few years, and which are about to be realized by the Canadian National for greater efficiency of the services it provides for the public. We have to make sure, however, that the objective pursued is not lost and upset because of overcentralization. Anything that can help improve passenger and freight service for Canadian taxpayers and for the people I represent will always get approval from the hon. member concerned—and I am sure that my colleagues would support this statement.

The authorities have to understand, however, that the break from traditions established for half a century or more cannot be effected without some pain and without a certain regret. Human beings cannot be knocked about—or at least they can no longer be knocked about the way they used to be in the past. In this connection, I want to give credit to the officials of the "Chaleurs" area for the co-operation which they have always given to me as well as to the representatives of the people in my area whenever major decisions concerning railway transportation in the Gaspé Peninsula were involved. We must admit that there have been isolated and sometimes unfortunate omissions, but on the whole our relations are excellent.

• (1650)

Briefing sessions and meetings were held periodically to explain to us the guidelines, the programs and the intentions of the company as well as the difficulties encountered.

Although it is not easy for my constituents to do so, I must recognize that the railway companies do face today greater financial difficulties than ever before because of a diminishing number of customers due to fierce competition by other means of transport which are more modern and faster.

Furthermore they are obliged to take those unpopular steps because of an act of Parliament forcing them to become efficient. Thus, in recent years both the CN and

the CP have been concentrating their efforts on profit-earning freight traffic.

I know full well that the CN freight service is profitable along the Gaspé shore, and elsewhere. In the face of such facts, one would be inclined to ask: Why then should this service be cut down since it is profitable? To that the authorities reply that it would be unfair, for freight customers and, generally, for the population, to make up the deficits of the passenger service with the profits of the freight service. Freight costs would then have to be increased; this would finally be detrimental to the consumers whose already high cost of living would go up further.

To give an idea of what that deficit represents, I shall refer to a document put out by the Transport Commission, dated February 25, 1972 and entitled "Passenger service in the Maritimes". It seems that when the CN speak of the Maritimes, they include the Gaspé Peninsula. The study of the commission on cost prices mentions the possibility for the railroad of maintaining its operation. Deo gratias! That study establishes that the railroads lost $14,834,298 in 1970, through providing passenger service in the Maritimes and the Gaspé Peninsula. Those figures are rather impressive and no less eloquent.

The act of Parliament alluded to a while ago provides for operations at a loss—and this is one—by allowing federal Treasury subsidies of up to 80 per cent of the true losses. Some hon. members will recall the stormy sittings of the railway committee a few years ago, when the annual reports of the CN were studies and considerable losses were reported which Parliament was asked to make up. They will also recall the bitter remarks addressed to the officials. There are some who object to the granting of subsidies to make up 80 per cent of the losses incurred by the passenger service in the Maritimes and the Gaspé Peninsula.

I know less about the transportation problems in the Maritimes, but being aware of those in Gaspé, I say it is the duty of the state, toward our people who have no other adequate means of public transport, not only to make up the deficit, but indeed to maintain a service that is essential to our people, and even to improve it, by allowing the CN to modernize its cars, most of which are obsolete, and to maintain the services that those trains offer to travellers. Let us improve the reservation system by making enough cars available in order to be able to face any situation and to carry all passengers who wish to travel, especially during peak periods.

And I believe, Mr. Speaker, that Canadian National authorities know that at Christmas, New Year, Easter and other holidays, a large number of people from Gaspé visit their families in Montreal and other areas of Quebec. Furthermore, students spend their vacations in Gaspé and must return home afterwards. Each year, despite the many representations that have been made, there are never enough cars to carry those travellers. I believe there is at least a certain miscalculation and a lack of foresight which it is worthwhile to point out.

I know this is a difficult situation for the company which has to compete with an increasing number of vehicules, but thanks to sustained publicity on the part of the company's management, those who have never boarded a train, though they criticize at every opportunity, will end up using it because, in my opinion, it is the safest means of public transport and could become one of the speediest considering the advances of modern technology. It would be a mistake on the part of railway companies to drop passengers services. As for me, and I was pleased that the hon. member who spoke before me pointed it out, it is the means of transport of the future and the least expensive.

When one considers the enormous amounts the governments have and will have to invest in the future to maintain a road network which is obsolete before it is completed, besides the agricultural land spaces which are gradually phased out from our heritage and the many lives that are lost every year and even every day on public roads, compared with the cost of construction of a railway which requires relatively less replacement and maintenance, then governments and railway companies should urgently and seriously consider, not to drop railway passengers services, but rather to modernize them and make them speedier and more attractive. Tremendous amounts of money will thus be saved at all levels of government to the advantage of taxpayers who will be also able to travel safely on an almost pollution-free road.

In concluding my remarks, Mr. Speaker, may I suggest to the government and to my colleagues that it is about time that we take off the CN's back the notorious debt which this company has been compelled to assume when it acquired various railway companies. Thus, we will have helped dispel a nightmare that needlessly haunts the Canadian National, that eats up a great deal of its budget and too often, compels us, taxpayers and members of Parliament to be called upon to vote certain sums of money to make up the deficit. Were it not for this heavy load, we might some day see more encouraging results and, perhaps, some profits that would enable the railway companies to develop at home a better public transportation system.

[*English*]

Mr. J. H. Horner (Crowfoot): Mr. Speaker, sitting here this afternoon and listening to the sometimes emotional rhetoric used in the discussion of transportation, I am inclined to think that the field is wide open. This bill legalizes the granting of money which is perhaps already spent by the CNR on property, branch lines, equipment, telecommunications, hotels and other investments. The debate has ranged across various problems in our country, and certainly transportation is of vital importance in a country as diverse as Canada.

I was inclined to look up the National Transportation Act which was passed by the House back in 1967. I was interested to hear the hon. member for Bruce (Mr. Whicher) this afternoon condemn the CNR and its operations, and say that it has now become completely divorced from any responsibility to the elected representatives. I wonder what position he would have taken on that government legislation which was implemented back in 1967. I suppose that like all good trained seals he, too, would have found plenty of reasons to support it, as did many of them at that time.

I was also interested to hear the hon. member for Regina-Lake centre (Mr. Benjamin) speak about socialism. I always like to hear the socialists talk about socialism. I

become a little worried when they tend to stray away from the subject, because then they become more dangerous political foes. However, I was pleased to hear him answer my question. When he spoke about taking over the CPR I asked him, what about the smelters? He said we should nationalize them also. I was pleased to have that answer put on the record because it shows how strong the waffle movement within that party is. Although quite often they profess to have no wafflers in the House of Commons—they are all straight NDP-ers, none of them really follow the Laxer doctrine—here we find one who is pretty close to being a full-blooded waffler. I always like to hear socialists speak about socialism because one knows what they are thinking, but when they get away from the subject, perhaps they become more dangerous.

Section 1 of the National Transportation Act reads:

> It is hereby declared that an economic, efficient and adequate transportation system making the best use of all available modes of transportation at the lowest total cost is essential to protect the interests of the users of transportation and to maintain the economic wellbeing and growth of Canada, and that these objectives are most likely to be achieved when all modes of transport are able to compete under conditions ensuring that having due regard to national policy and to legal and constitutional requirements—

• (1700)

Many people have attempted from time to time to find out what the Liberal party's national policy is with respect to transportation. The Minister of Transport (Mr. Jamieson) did not say anything about it in his speech in the Throne Speech debate. But looking over that paragraph, I well remember the fight that we had to add the word "adequate". There was a heated debate in the Transport Committee, but we finally got agreement on the words, "an economic, efficient, and adequate transportation system" is needed in Canada.

That is really what the debate is all about today. Is the present system adequate? We can all question whether it is efficient, and whether it is to be efficient in the interests of revenue or in the interests of the people? But is it adequate to serve Canada? Without a doubt the hon. member from Newfoundland who spoke this afternoon said it was not adequate in his province. He said they needed a wide gauge railway there. From my experience of travelling in Newfoundland, I certainly believe they need the track straightened out. There are 500 miles of track across the province. It winds around every little hill and every little swamp. If the shortest distance between two points is a straight line, then it is the furthest thing from a straight line. Therefore, it is difficult to serve the people of that province adequately. I agree with the hon. member that The "Bullet" could have been made an attractive tourist promotion. Certainly, tourism is one of Canada's biggest industries. It is disappointing that the Minister of Transport, who comes from Newfoundland, neglects that province so badly in transportation matters.

What is the situation in western Canada? A lot of members have visited Vancouver. In the latter part of February I, too, made a trip to Vancouver to find out why our grain was not moving as efficiently as it should have been. I can honestly say that I found the system inadequate. We were about a month behind in grain deliveries to Vancouver. There were about 25 ships waiting in the harbour, with only about 8 million to 10 million bushels of grain in the terminals. Another 20 million bushels were needed. I was told it was on the tracks on its way to Vancouver. One can pick up any newspaper and see these facts reported. Here is one. The Manitoba *Co-operator* of March 2 has an article headed, "Grain Loading Catastrophic at Vancouver."

There has been much talk to the effect that because of the Crowsnest Pass rates, railways don't want to move grain since they do not make any money moving it. Recently, Mr. Speaker, the CPR wanted to move coal to Roberts Bank from three points in British Columbia, for the Kaiser Coal Company. In order to stop the contract from going to an American line south of the border, the CPR had to set a rate which in effect is lower than the Crowsnest Pass rates. The rate set is $3.69 per ton. For moving grain, even from Alberta, the CPR and the CNR receive a higher return under the Crowsnest Pass rates.

The Crowsnest Pass rates cannot solely be blamed for the delay in moving grain. Some hon. members say that if the railways got more money they would look after the business better. Mr. Speaker, railways charge an awful lot of money for moving cattle from western Canada to eastern Canada. But last fall we heard all kinds of complaints about the manner in which the railways treated that trade. In some cases in my constituency boxcars, loaded with cattle, sat on the tracks for almost 24 hours before a train came along to pick them up. It was no wonder that when they reached eastern Canada it was found that as many as 20 to 30 calves had died in the cars. No other form of transport can move bulk traffic over great land distances. The railways know this. Grain has to sit on the prairies waiting for them to move it. In effect, they move everything else first, and finally move the grain.

The whole railroad complex has to be changed. The National Transportation Act did not inject any new spirit of service into the railroad business. Section 3 of that Act reads:

> —each mode of transport, so far as practicable, carries traffic to or grom any point in Canada under tolls and conditions that do not constitute
>
> (i) an unfair disadvantage in respect of any such traffic—
>
> (ii) an undue obstacle to the interchange of commodities between points in Canada or unreasonable discouragement to the development of primary or secondary industries or to export trade in or from any region of Canada or to the movement of commodities through Canadian ports:

The railroads have not lived up to that. I doubt very much whether the Canadian Transport Commission is trying to encourage the railroads to live up to it. When you appoint a board to look after the railroads it may immediately become the servant of the railroads. That is the danger in appointing boards and not making them responsible to the elected representatives of the people. The railroads have certainly not tried to provide an adequate transportation system. Through their freight rates, they have created undue obstacles to the interchange of commodities between points in Canada. They have discouraged the development of primary and secondary industry.

I wish the hon. member for Edmonton-Strathcona (Mr. Harries) were present, Mr. Speaker. He made a big speech in Calgary on this very subject. He is never in this House, but he seems to attract some press from time to time. I do

not know whether he practices what was commonly referred to as the Horner theory in getting good press coverage, but I think his voice in this debate could assist tremendously in encouraging the development of an adequate transportation system.

We see all kinds of money spent on pretty frivolous subject matters and inquiries. Yesterday's whole debate dealt with that. Why can't the government invest a little money in a Canadian boxcar construction industry? As the hon. member for Regina-Lake Centre (Mr. Benjamin) said, we are still using boxcars that are 50 years old.

But, Mr. Speaker, as soon as the potash industry became viable in Saskatchewan, the railways acquired new potash cars. As soon as the Kaiser Company came up from the United States and said it would develop coal in British Columbia and ship it to Japan, the CPR had a whole fleet of new cars built to haul that coal to the coast. For some reason or other we cannot build, buy or even steal a boxcar to haul grain. Surely, the government could arrange for the construction of more hopper cars for this purpose.

• (1710)

The port of Vancouver handles less than 600 boxcars of grain per day. It should handle 700 and it is six months behind now. The target is 800 but this has not been attained. The reason is obvious—the snowslides in the mountains. But the mountains have been there since the beginning of the North American continent and pretty nearly every winter there is snow in the mountains. Why can you not build more tunnels through them so that trains can be diverted?

There is provision in this bill for $125 million for the construction of roadbed and $19 million for branch lines. I would suggest that there should be a branch line west of Kamloops, from Ashcroft to Lillooet. In the event of a snow slide, this would allow for a diversion between Kamloops and Boston Bar. Cars could be sent across to the PG&E railroad and on to the port of Vancouver. On the map this is a distance of 30 or 40 miles, but even if they had to bend around a mountain or two it would only mean the construction of about 50 miles of railroad. Perhaps it would only be used in times of crisis, but it would be another way of overcoming the hazards of winter and the summer rock slides. During this past fall and summer there were some very bad rock slides in the Boston Bar area. My investigations convinced me that no attempt was made to maintain the telegraph signal line in that area. If a rock slide occurs the line is broken and a red light flashes on. The engineer of the approaching train then has enough time to stop the train. This telegraph line and signal system has not been maintained and one wonders why. Many accidents are reported and I do not think this is the fault of the workmen.

The trackage of the CNR used to be divided into sections and a sectionman was responsible for a certain area. In the last five or six years, each section has been doubled or tripled in length and the same man may now have three or four times as much trackage to look after. This could be because of greater efficiency or perhaps the dollar bill, but it does not contribute to an adequate transportation system.

The Vancouver harbour handles about 37 per cent of the tonnage moving in and out of Canada and over 50 per cent of the grain. Most of the tonnage of grain and other commodities used to be moved through the south side of Burrard Inlet. The trackage is all there, but the city of Vancouver built right up to it and so caused congestion. A good port has to be adequately protected from the winds and the ocean, and it must have depth, but it must also have an approach from the land side. The south side of the port of Vancouver is certainly congested. The north side is a little better but there is only one track there. Vancouver harbour and Burrard Inlet have been there since the beginning of Canada, but there is still only one track. There has been talk of building a causeway across Indian Arm and a second railroad to run into the north shore of Burrard Inlet. This is where the Saskatchewan pool elevator is situated. It can handle over 65 cars and has trackage for that number as it is the most modern elevator.

The unit train concept has recently been developed. Such a trainload of grain was picked up at Moose Jaw, moved to the north shore of Burrard Inlet and unloaded on the continual loading system at the Neptune terminal. The Vancouver wharf people want to get into the business of handling grain, but they need more trackage to serve the north shore of the Burrard Inlet. This could be achieved by the use of imagination and the expenditure of a little money; it would help the economy of this country. We are a trading nation and we must facilitate the movement of goods in and out of our harbours. The port of Vancouver is one of the 15 largest in the world. We are not proud of it and treat it like some old discarded woman, but we should be proud of it. We should spend the money to put enough trackage there to keep our commodities moving in and out. We certainly have not made any real move toward building an adequate transportation system.

I should like to refer now to section 23 of the National Transportation Act which deals with the question of captive shippers, as well as the definition of a carrier in the movement of goods in the public interest. It states that railroads must set rates for the movement of goods and the servicing of the country in the public interest. There have been three court cases because of this section but no decisions have been handed down yet. The act provides that if one is a captive shipper he can appeal to the transportation commission to have his rates set. However, no one has yet been able to declare himself a captive shipper under the act. Since the act is so poorly worded it is no wonder it is difficult to understand section 3(d)(ii) which reads:

—tolls and conditions that do not constitute—

(ii) an undue obstacle to the interchange of commodities—

The section goes on to provide that tolls must not be unreasonable and not discourage the development of primary or secondary industry. Certainly, freight rates on manufactured goods have discouraged the development of primary and secondary industries. To use carrots as an example, the rate on a boxcar of carrots moving from Toronto to Alberta is less than half the rate on a boxcar of carrots moving from Alberta to Toronto. That is the same product moving over the same trackage in the opposite direction. Why should the rate be double on products

moving from western Canada to eastern Canada? A rate such as that automatically hinders the development of primary and secondary industry in western Canada.

There is the old argument that the rates were set in 1921 when the demarkation line was the boundary between Saskatchewan and Manitoba. That was used as a guide in the setting of freight rates back in 1921, the theory being that it was cheaper to move goods to Vancouver by water so the rates were set accordingly. Certainly, under the present system, it is cheaper to move goods from eastern Canada to Vancouver than to Calgary. This hardly makes sense. It is cheaper to move goods to Calgary than to Medicine Hat from eastern Canada, and that hardly makes sense, because Medicine Hat is that much closer to eastern Canada and Calgary is closer to eastern Canada than Vancouver is; it is something like 800 miles closer.

• (1720)

Mr. Benjamin: That is free enterprise for you.

Mr. Horner: My learned socialist colleague suggests that is free enterprise. I suggest, no, that this situation has arisen from the decisions of an inadequate regulatory body and from the provisions of a poor piece of legislation, because one cannot prove that one is a captive shipper.

I can remember when the present incumbent of the Chair was a member of the transport committee, and I can remember the heated debates that took place at one time. Those debates made the debate in the previous session on Bill C-176 look like a pale shadow of the real thing. Many hon. members complained about the time we took to discuss Bill C-176 involving agriculture. I say that that debate did not take overly long, not when you remember that the debate on Bill C-237 of the previous parliament went on from January 9 to January 31, following the earlier debate on that bill which lasted from about November until Christmas of the previous year. Mr. Pickersgill said that the bill had to be passed because he had made some sort of commitment to the CPR.

Well, Mr. Speaker, we kept on talking and advocating changes. We made changes. We told the government of the day that the captive shipper clause was unsatisfactory and that paying the railways a subsidy equal to 80 per cent of their losses on certain routes would lead to the elimination of passenger service. All the railways need to do is prove they are losing money on passenger service and a subsidy will be provided. The more money they lose the greater will be the subsidy provided by the government. That is a poor formula, that is not private enterprise. The government set up a poor regulatory body and passed poor legislation. The railways deliberately downgraded their passenger services and increased their losses so that they could go before the board and ask for huge subsidies.

As I say, the greater was the loss, the greater was the subsidy that the railways could claim. This provision encouraged the railways not to provide the people with efficient or adequate transport facilities. There must be changes. I have talked to friends in the Canadian Transport Commission—

Mr. Benjamin: Friends!

[Mr. Horner.]

Mr. Horner: Yes, I have one or two. They tell me the government would like to bring back that transport act and make some changes. I urge the government to bring the act back as quickly as possible. Let it introduce a bill in the present session, before the next election, because our transport system needs help. We, on this side of the House, will do our best to change that law, so that the railways will be encouraged to provide adequate service and fair freight rates across Canada, not freight rates that discourage the development of primary and secondary industries in certain areas.

I will close on that note. I urge the government to bring that piece of legislation back and, on my side, we will do our best to remedy the errors made in 1967 when we originally passed that legislation. I was particularly interested in the remarks of the hon. member for Bruce. He condemned the operation of the Transport Act, because the railways now need not answer to the government or, in essence, to parliament. We should alter the law and, in principle, make them answer to this place. The Minister of Transport who is responsible for our transport system cannot forever attempt to hide behind the Canadian Transport Commission and say, "I cannot do anything about freight rates; you will have to talk to the Transport Commission." There are three test cases now before the Transport Commission, and no decision has been handed down. I again urge the government to bring back that legislation. We, on this side, will put our heads together and suggest changes which will benefit all Canada.

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I am pleased to take part in this debate. It is always nice to follow my hon. friend, the hon. member for Crowfoot (Mr. Horner). It is very difficult to do so, also. This routine bill which is to authorize for the government owned Canadian National Railways capital expenditures totalling $219,800,000 for 1971 and another $83 million on July 1, 1972, and which is also to authorize government loans to Air Canada in the period from January 1, 1971 to June 30, 1972 for the purpose of helping that organization pay its debts, really gives us the opportunity to say to the people of Canada, and particularly to the people of my constituency, that the CNR has one thing only in mind: the public be damned. Do you know, Mr. Speaker, that the railway employees have absolutely no control over their own pension plan; that the three union officers on the CNR pension board are not employees of the CNR, are not covered by the employees' pension plan and therefore cannot be accepted as representing the interest of all the employees of the CNR; that the four officers of the company on the CNR pension board are appointed by the board of directors of the CNR and do not represent the interest of the employees? Let me also say that Alberta has no representation on the Canadian National Railways board of directors. How shameful that is.

Do you know, Mr. Speaker, that the chairman of the CNR pension board is appointed by the CNR board of directors from among the four officers of the company on the CNR pension board and does not represent the interest of the employees; that even this non-employee pension plan representative has no power over the decisions of the employee pension plan; that this pension board, completely controlled, as it is by the CNR can only make recom-

mendations and cannot, on its own, make any decisions of any consequence; that all recommendations or decisions of the pension board must be submitted to the CNR board of directors for ratification before such recommendations or decisions become effective; that the CNR, under the 1959 employees' pension plan, does not match the employees' contributions month by month; that, because of their system of not immediately matching the employees' contribution, they have accumulated an unfunded liability to the employees' pension fund of $671 million. Do you know, Mr. Speaker, that through a quirk—a clever or cunning evasion, a twisting of meaning—in the Pension Benefits Standards Act, the CNR was able to reduce its unfunded liability to $300 million, which represents a loss of $371 million to the employees' pension fund?

I wanted to put some of these matters on record, Mr. Speaker, because some of these things have been raised in many meetings in my area. People are concerned about pension plans. The hon. member for Winnipeg North Centre (Mr. Knowles) has mentioned difficulties connected with pension plans. These people, under the direction of Mr. Wilf Macdonald and Mr. Jack Pickett, have sought diligently to bring to the attention of the CNR the many problems which have arisen in our area. I believe there has been a neglect on the part of the CNR to pay any attention to those meetings.

• (1730)

I should like to read into the record this afternoon a statement by the Canadian Railway Labour Association with regard to the elimination of some of the services which is presently taking place in Alberta and across Canada. The statement reads:

Many of the basic assumptions upon which the National Transportation Act is founded date back to the MacPherson Royal Commission in the 1950s. We are very strongly of the view that many of the conclusions of the studies done for that Royal commission are not consistent with contemporary views. The act contains a built-in bias toward using economic viability as the over-riding criterion for determining railway passenger transportation needs. We suggest that the assumptions upon which the act was based are not a sufficient basis for contemporary policy and that these assumptions are in contradiction with many of the government's other policies.

The assumptions of the act are insufficient today because the Canadian people and their government have increasingly realized that while economic criteria are important, perhaps the most important criteria, they should not be the over-riding consideration in all cases. This is especially true when one considers the long-term results of any given action. We have realized that while the gross national product may be a reasonably satisfactory aggregate measure of the Canadian people's wellbeing, it is a poor measure of the quality of life.

Increasingly also, economics and the other social sciences have placed renewed emphasis upon a vastly broadened concept of cost, realizing that public costs and benefits can, and frequently do, outweigh private costs and benefits. To consider only costs and benefits in a narrow sense is to accept a short-term and unrealistic framework for policy. It is not sufficient for the Canadian Transport Commission to look at the costs and revenues as submitted by the railways for such a service and merely weigh those arguments against the views of the public at a hearing.

This government has increasingly demonstrated its willingness to view problems on a long-term basis and to do so within the framework of a broadened concept of costs and benefits, especially with respect to environmental questions. But its willingness to be farsighted on some environmental issues contrasts sharply with the underlying assumptions of the National Transportation Act, which is the basic element in Canada's transportation policy.

There are numerous ways in which the National Transportation Act conflicts with current policy. We wish to mention only two. With the elimination of rail passenger service the public's ability to choose among different modes of transportation is being restricted. This would not be such a serious situation if the various methods of transportation were perfect substitutes. They are not. They are in many ways complementary but not substitutive. Therefore the mobility of the public is being lessened and the cost of maintaining the same amount of mobility is being increased.

Secondly, the elimination of rail passenger service is promoting the increased use of automobiles at the same time as the public and various levels of government are becoming concerned about the increasing costs of pollution, congestion, etc. The current policy is encouraging the elimination of rail passenger service despite the knowledge that such service is the most acceptable means of moving large numbers of people on an urban, interurban and national basis. We submit that the aims of the present policy of the National Transportation Act are outdated, inadequate, and inappropriate and should therefore be immediately revised.

We continue to be greatly distressed by the prevailing inequity as regards the assistance provided to one mode of transportation as opposed to another. This situation can only serve to exacerbate the problems discussed above and at great length in our previous submissions. We note that our view that the inequity of the assistance works to the disadvantage of the railway passenger systems has been supported by others, including the Canadian Transport Commission in its order of January 29, 1971, concerning the discontinuance of the 'Canadian'.

Such an inequitable policy is tragic. It leads to policies based on the short-run rather than the long-run and is, in our view, in conflict with Part I of the National Transportation Act.

Anyway, there it is. These are my feelings, too. There is another letter here which I should like to read into the record. These are from my colleagues and many of my friends who are railway men in my constituency. I have a lot of respect for them because I used to be on an extra gang banging away with a 12-pound hammer. They were tough days. This letter comes from John L. Pickett, President of the Edmonton Council of Railroad Unions:

Dear Sir:

During the last few months, much has been said and written about moving grain to the west coast for export by rail. But how about the rank and file railroad men, the people who actually do the work and keep our railroads running? Railroading in western Canada during a winter such as we are experiencing is not easy. Temperatures dropping to as low as 40 below. Traincrews switching, spotting and picking up cars, mostly at night; trainmen and conductors often tramping through four feet of snow, putting in 12 or 14 hour shifts to get over the road, often on a thermos of coffee and a few cold sandwiches; the men in the yards, the switchcrews, making up trains, blocking grain, the carmen, checking and fixing bad order cars, walking freight trains, fixing air leaks so that we get the proper brake tests. The signal maintainers who get called out in the middle of the night, to go and fix some break in the signal system. The sectionmen, who are out there in all weathers, doing the 101 things they have to do, to keep the railroad running and, of course, the countless other railroad workers who contribute their share. No, railroading in the winter months in western Canada is no picnic.

We know we need more locomotives, cabooses, cars, radios, better storage facilities at the west coast, bigger storage yards so that when the weather is good we can move cars faster and cheaper. Why can we not have 4,000 or 5,000 cars of grain stored at the west coast in early December so that if we have snow slides or derailments in the winter, the grain is there where we need it?

Give us the tools and the facilities and the Canadian railroad men will move all the bulk commodities we need for export to make this great country of ours thrive.

Some hon. Members: Hear, hear!

Mr. Paproski: One does not have to say much after reading a letter like that. I say to the Canadian National Railways: Have some consideration; look after your pensioners. You might also take some of the money you have stored away and use it to build homes at a cheap interest rate for the people who work for you, or else lend it out to them at 5½ per cent or 6 per cent. This would be a wonderful idea on your part. Other than that, I have nothing further to say at this time.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, when this subject had been debated last year, two questions were referred to the Standing Committee on Transportation and Communications. Each was of great importance. Only one of them was solved, or partly solved, by the committee. The conclusion reached was not, of course, a satisfactory one, but it was a step in the right direction. It showed that members of parliament can, if they wish, bring about improvements in the areas we are considering. The benefits of the change which occurred as the result of that last hearing were considerable in terms of pensions to retired employees of the CN—something like a 42 per cent increase for the old timers. This was a step in the right direction. It was parliament at its best. We held a gun to the head of the government of the day, and they reacted, as is usual, with half a loaf. I say that in this case half a loaf was much better than no loaf at all. If it had not been for members of parliament, nothing of any use would have been done.

• (1740)

Having had the government make the concession of paying a retroactive cost of living payment over 21 years, this kind of escalator, in the retroactive sense, was applied to lesser degree by the CNR and paid by a number of other government and private agencies who also saw both the advantage and certainly the justice of such a payment to pensioners who had provided them in the early days with the wherewithal to make their enterprise a success.

Another factor, which in a sense is more important to the general public and to the orderly operation of any railroad—I presume that Air Canada will find itself in a similar position unless some changes are made—is the long-term debt of the Canadian National Railway. It has been said jocularly, and sometimes even seriously, that the Canadian National Railway was nationalized. That is only partly true. We nationalized it when we bought the assets of a number of railroads of that day. However, we also took on the liabilities of those railroads in the form of long term perpetual bonds and other debts, and these have been carried on the books for many years.

You will probably gather, Mr. Speaker, from my remarks that I am not a financier, but my contention is that if you buy something you should hope eventually to be able to pay for it. Even farmers, who often borrow more money than they should to carry on their farming operations, are of the opinion that eventually not only will they be able to pay off the interest but will pay something off principal as well. Since they have been able to add to their operations they will probably make some profit from their labours. If not, there is no point in embarking upon such an exercise.

[Mr. Paproski.]

Faced with this situation, perhaps we should not have bought Grand Trunk or Northern whatever it was. Though some of my colleagues may have been here at the time, I cannot remember the names of some of the railways which were amalgamated into Canadian National. Perhaps we should have decided to let those railroads go bankrupt and then take them over. But we did not do that. Perhaps we were generous to the shareholders of some of the railroads of the day. You will remember, Mr. Speaker, that in the early days of railroading in Canada you did not play the stockmarket in Toronto or Montreal but played the bond game, in which you bought up railroads. We had on paper more railroads and lineage laid out than probably any other country in the world.

Ottawa was one of the main centres of activity in this regard. There were eight or ten railways going from Ottawa to James Bay at that time. Why, I do not know, but people like O'Brien were able to sell stocks in railways and he made a considerable profit doing so without ever considering just what was at James Bay, even if he had been able to build the railway there. Buying railroad stocks was quite a game in those days. When these companies were taken over by Canadian National, we also assumed that the liabilities were too, and as a result Canadian National has been saddled for many years with a huge and elaborate debt.

The last time this matter was before the House it was generally agreed by hon. members that this question should be referred to the committee. The committee looked at the matter but was unable to come to a conclusion, I hope because of lack of time. The committee settled the other important question of pensions but left the question of debt.

The financial statement of the railroad appears in the Auditor General's report to parliament for the year ending December 31, 1970. It appears from the report that interest on the debt in 1961 had raised the total debt to $62.5 million, but by 1970 it had grown to $75.5 million. So it appears we are not paying anything off principal; we are only paying off the interest. In 1970 the total deficit of Canadian National was $29.7 million, though in fact the company made a profit of $40 million odd—if I use the wrong arithmetic my colleagues will correct me. If we had to buy a new aircraft for the armed services or a supply of rifles, the cost would be put into the national debt if we did not have the money to pay for the equipment. Then when we did have some money available, as has happened once or twice in my experience, the government would be able to pay part of this debt and reduce it. But debts increase rather than decrease most of the time.

In this case the debt becomes not that of the railway but of individual Canadians who own the railway. This is why we should retire the debt. Let us pay off those people who held the original bonds or their successors, and put the deficit into the consolidated debt.

Mr. O'Connell: Would the hon. member permit a question?

Mr. Peters: Surely.

Mr. O'Connell: Would he be able to say whether the debt of the CNR has actually increased in principal

amount or decreased, and trace the relationship between the preferred shares, which are increasing, and the debt? I have not looked at the report, but the debt ought to be decreasing. The technique of getting out of debt is to issue preferred shares on which you do not need to pay dividends. It is not like interest.

Mr. Peters: I am quite happy to admit to the minister that he has lost me. I am certainly not that competent in the subject of finance. All I know is that the committee should take a look at all these factors and should, in my opinion, conclude that the debt is not the debt of the CNR. There is also the fact that we have accumulated some debt by issuing stock for purchases the railway has made in its own right. We probably added that on as well, and then went into the bond field from which we raised money as well. I suggest that on the debt, which has been accumulating for a number of years, we have been paying a great deal of interest. We have long lost whatever advantage we had from borrowing the money.

• (1750)

The money we originally spent to buy all the railways that went into making up Canadian National was put into the national debt. The railway can be operated in a much more orderly way. If Canadians think they need this railway, they should be willing to pay for it, whether by adding to our national debt or in some other way such as stock promotion. We should eliminate the huge interest payment from the financial structure of Canadian National Railways because it distorts our whole railway tariff structure. Everytime we consider an application by Canadian National, we look at the amount of their expenditures, the payments they have to make and the money which parliament has to raise to pay these operating expenses. By using that kind of structure, Canadian National is able to go before the Canadian Transport Commission and justify almost anything. Canadian National does the justifying and Canadian Pacific, which does not have that kind of structure, gets the gravy because of the necessity of maintaining uniformity of the tariff structure between Canadian Pacific and Canadian National.

I agree with the Minister of Veterans Affairs (Mr. Laing) who has shown a great deal of interest in the last few years in the high Arctic. He has shown great interest in buying into the high Arctic and getting the Canadian taxpayer involved. In a previous portfolio, he was able to establish Panarctic of which the Canadian public owns 45 per cent of the stock. Oil is not the only resource in the Arctic. There are many kinds of minerals. When he appeared before the transport committee the other day, the minister stated that in his opinion there was more wealth in minerals north of the 69th parallel than in all the rest of Canada. He may well be right.

If this is so, we will have to consider in the very near future what type of transportation facility we are going to put into the high Arctic. I suggest we will be considering a number of methods. Probably the most economical will be the type of facility that will bring in all the necessary materials and take out all the ore and finished products developed in that area of the Arctic. In order to do this, we will have to raise a lot of money. It will probably make the amount given to Canadian Pacific, probably the largest give-away of the Canadian parliament, look small. I hope this money is given to Canadian National to put a line into the high Arctic to develop that area for Canadians in an orderly way, with proper regard for the ecology of the area, and the ability to service the needs of the population in that area.

Pipelines will bring out materials, but they will not take in the goods necessary for production. It is my guess that we will have to consider rail transportation. Large sums of money will be required to build a line. I hope some cabinet ministers will avail themselves of the opportunity to appear before the committee and indicate how we can get out of this financial problem, a problem that has been with us for 50 years.

Canadian National says that this problem cannot be solved. I talked to some of the senior officials. They said that we do not have the guts or the know-how to solve this problem. I think that is wrong. We can if we so decide. A lot of this is just a bookkeeping proposition, transferring from one column to another. We will have to pay interest on the debt, but it will be the Canadian public rather than the railways that will be paying it. We will have losses in rail transportation.

We should be looking at the new systems of transportation. Canadian National should be given the credit it deserves. It is the only railway company in North America that has worked on developing new trains for passenger and freight service. I am sure it is safe to say that Canadian National is many years ahead of any other railway on the North American continent.

I agree that the Canadian National Rapido did not work. However, there are good reasons for this. One is our inability to develop a full-fledged railway component to handle our present trains and at the same time withstand the conditions with which we are faced. Trains cannot be brought from England because our conditions are different. Although the Rapido froze up and had other problems, it was a step in the right direction. In fact, it has been the only step.

Are we being sensible in spending millions of dollars building airports 15 or 20 miles away from cities such as Toronto and Montreal? In my opinion, that is throwing money away as if it were going out of fashion. As an hon. member stated the other day, we should be building a major jumbo trans-Atlantic international airport north of Kingston with a ground transportation system that will get people to Toronto faster than the time it now takes to travel by bus from Malton Airport. I am sure the same situation will apply to Montreal. A major hotel in Montreal still maintains a facility that connects directly to the trains. People staying at that hotel will be able to get on a Rapido train and travel to an airport that will eventually be built in the Kingston area in 30 or 40 minutes. They will travel in ideal surroundings and in complete comfort with all the facilities that can be provided in a modern transportation system.

At the present time people spend 15 or 20 minutes on an airplane, 15 to 20 minutes getting out of the airport, 15 minutes waiting for bus transportation downtown and an hour to one and a half hours to get to the centre of the city. Because of the large land mass in this country, there

is a need for a rapid transportation system. We have the technical know-how and the interest to develop it. In order to accomplish this, we may have to get rid of Canadian Pacific. If that is necessary, I am all for it.

May I call it six o'clock, Mr. Speaker.

The Acting Speaker (Mr. Boulanger): It being six o'clock, the House stands adjourned until tomorrow afternoon at 2 p.m.

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, March 9, 1972

The House met at 2 p.m.

BUSINESS OF THE HOUSE

PROCEDURE SUGGESTED BY MR. SPEAKER FOR DEALING WITH NOTICES OF MOTIONS OF PRIVILEGE

Mr. Speaker: Order, please. I think hon. members might be interested to know that during the last few hours I have received five separate notices under Standing Order 17 on the part of hon. members who propose to move a motion of privilege under the terms of this Standing Order. Essentially, these five motions relate to the same matter. Because this is so unusual I am not sure how the matter should be handled. My thought is that hon. members who have given notice of these motions might be allowed one after the other to indicate what their arguments and what their motions would be, someone would then reply on behalf of the government, and the matter might be taken under advisement. These hon. members, as is required by the Standing Order, have had the courtesy to file notices, but to this point there is no information on the part of the House concerning what the motions would be and what arguments would be advanced in support of such motions.

With the consent of the House, I will take these motions in chronological order as they were received, and the one who has been most diligent in this respect is the hon. member for Peace River.

* * *

PRIVILEGE

MR. BALDWIN—DELAY IN TABLING AUDITOR GENERAL'S REPORT

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I hope that all your other decisions from now on are as good as that one. I did serve notice pursuant to Standing Order 17 with regard to this matter because I feel that what is involved is in fact a question of privilege. I would go on to say that in addition to a question of privilege being involved with regard to the question contained within the four corners of the notice I sent to Your Honour, namely, the extent to which the Auditor General of Canada, an officer of parliament and servant of this House, is being inhibited in the opportunities which he should have to carry out his duties, there is the question of the inherent right of this House, as indeed of the other place, to call before it as a witness any person it sees fit to subject to examination and discussion. I shall deal with both these questions as I proceed. I have, of course, had to give notice to Your Honour pursuant to Standing Order 17 in order to obtain the opportunity to make this motion, and I will be making a motion on the question of privilege, but I want to make it abundantly clear that there is in addition to the question of privilege, and related to it, the very important issue of the right of this House and of parliament as the highest court in this land to call before it any witness, not necessarily a person who may have offended against the privileges of the House but any witness, and conduct an examination according to the traditions and practices of the House, and to the extent to which these may be changed by order or by the modern practice we have now developed.

• (1410)

Certainly, on the question of privilege, it seems to me that any interference with any of the officers of this House in such a way—

Mr. MacEachen: Mr. Speaker, I rise on a point of order. The hon. member for Peace River has now been speaking for some minutes, yet as far as I am aware he has not stated the matter of privilege he is raising. I am asking him to state the matter of privilege because he has risen on a question of privilege. He has now had the floor for a sufficiently long period to have stated on what the question of privilege is that he is raising. I am asking him to state the question because I should like to argue the point whether the matter he wishes to raise, which is still unknown to the House, has been raised at the earliest possible moment.

Mr. Baldwin: I understand the position of the President of the Privy Council. I was coming to that. But I always feel that in dealing with hon. gentlemen on the other side we should take longer in explaining matters than if we were dealing with ordinary people.

On the question of privilege, I now come to the first branch of my argument. Any officer of this House—I would include the Clerk, the Sergeant-at-Arms, and the Auditor General whom I place squarely in that category—must be allowed to carry out his duties in such a way as not to limit in any manner the opportunity for hon. members of this chamber to fulfil their responsibilities. I simply indicate, by way of illustration, that if in the course of taking a vote the Clerk was interfered with so that the count could not be made, I would consider this to be a breach of privilege such as interfered with the opportunity of hon. members to carry out their duties. I submit, therefore, that if I can show Your Honour that there has been this kind of interference, that an officer of this House has been denied the opportunity so to fulfil his duties as to prevent hon. members on both sides of the House fulfilling the responsibilities they must exercise on behalf of their constituents and the people of Canada generally, then that is a breach of privilege.

I am dealing with the question of the Auditor General and the comments which were made yesterday, the state-

ment by the Prime Minister that the Auditor General was breaking the law and the position in which this leaves members of the House.

Mr. MacEachen: I rise on a point of order, Mr. Speaker. If the hon. gentleman is raising as a matter of privilege comments made yesterday in the House by any hon. member, then I suggest he is not permitted to raise a question of privilege at this point because Standing Order 17 provides that whenever any matter of privilege arises it shall be taken into consideration immediately. It is a fact that the hon. member for York South did raise a question of privilege on the comments made by the right hon. Prime Minister yesterday and was heard by the Chair.

If the hon. member is raising a new matter of privilege, then I will cease my argument, but if he is raising a matter of privilege based on the comments made yesterday, then under the terms of the Standing Order he was obligated to take the matter into consideration, because it is clear from Standing Order 17(2) that notice is to be given by an hon. member proposing to raise a matter of privilege other than one arising out of proceedings in the chamber. I am merely saying, as he has referred to statements made by the Prime Minister yesterday, that in my humble submission he is not entitled under the terms of the Standing Order to found a question of privilege on those comments.

Mr. Speaker: I have some difficulty now in ruling on the point raised by the hon. member because actually I have not heard to the end of the question of privilege which the hon. member for Peace River wishes to raise. I think it might be simpler if we allowed the hon. member for Peace River to complete his presentation. It seems to me that the point now made by the President of the Privy Council might be made afterwards, along with other objections which he might have to the points made by the hon. member for Peace River. I would hope that we might proceed in an orderly fashion and as expeditiously as possible with the presentation of the five questions of privilege of which I have received notice. All hon. members who have such points might want to take into consideration the fact that there are all these presentations to be made which will have to be taken into account by the Chair and about which the President of the Privy Council may have some comments to make. I invite the hon. member for Peace River to pursue his presentation at this time.

Mr. Baldwin: Mr. Speaker, let me go ahead from where I was interrupted. Under the Financial Administration Act—I think this will answer the President of the Privy Council—the office of the Auditor General is created. It is a statutory office with a statutory function. I will not take the time of the House to read in detail the duties and responsibilities of the Auditor General, but under section 61 he is required to report annually to the House of Commons the results of his examination of the public accounts. Then the section continues:

2. The report of the Auditor General shall be laid before the House of Commons by the Minister on or before 31st day of December, or, if Parliament is then not in session, within 15 days after the commencement of the next ensuing session—

I would also call Your Honour's attention and that of the House to the fact that under section 56 of this act, subsection 4, there is a provision with respect to the Auditor General which reads:

Such officers and employees as are necessary to enable the Auditor General to perform his duties shall be appointed in accordance with the Public Service Employment Act.

• (1420)

The point of my reference to the discussion yesterday was that the Auditor General had not performed his statutory duty, and in relation to that statement the Prime Minister said yesterday that the Auditor General was an officer of the House, was in breach of the law, and that it was incumbent upon some person in the House to do something about it.

There is no question in my mind, Mr. Speaker, that if the Auditor General is prohibited, if he is prevented from carrying out his duty as an officer of this House to place before parliament the results of his examination of the public accounts of Canada and as a result the opportunities for hon. members to discharge their responsibilities as members representing the people of their constituencies in particular and the people of Canada in general are limited, this constitutes, per se, a breach of the privileges of the House. If it should appear, during the course of a debate which may or may not take place following the motion that I intend to place before Your Honour, that this has come about because of the fault of the government then, Mr. Speaker, it will be my view, and the people of this country are entitled to take the view, that the government has been guilty of such contributory negligence as to prevent the Auditor General from carrying out his duties and to limit the opportunities for members of this House to do their job. I think that is the simple issue and is a question of privilege standing by itself. There is no question about it.

There may be some question as to the procedure that needs to be followed. There may be those who would say that this question should be considered by a committee. Let me make it abundantly clear, Sir, that this is an unique and unusual situation. We have here an officer of parliament who by act of parliament, by statute, is compelled to carry out certain responsibilities and to do certain very essential things, particularly today when we come to examine the expenditures of this government, or of any government for that matter, and its involvement so far as the taxpayers of Canada are concerned. He is a very important functionary.

I make it abundantly clear that I am not asking Your Honour to come to a decision on whether or not the Auditor General should be called before the bar of the House. I am not asking Your Honour to decide that. That, I suggest, is a matter for the House alone, but of course Your Honour has the responsibility of deciding whether the motion should be put before the House. As a matter of fact, it might well be that the argument could stop right now if the government has the intestinal fortitude to accept the fact that there is this issue and accept this motion and let the House decide. However, I doubt that it will do that, even though I make the suggestion that this might stop further argument on the issue.

Mr. MacEachen: Let us hear the motion.

Mr. Baldwin: The President of the Privy Council will hear the motion in due time. Mr. Speaker, what I am in fact putting before the House, putting before Your Honour, is what is known as an interlocutory application as to whether or not Your Honour should put the question to the House on the motion which I shall read very shortly.

However, before I leave this branch of my case I suggest that when we find a situation where an officer of the House, of the importance of the Auditor General, is involved in an issue where it appears that he is deprived of carrying out his exceedingly important statutory duties, then surely, Sir, there should be an examination on that issue, and the only place that examination should properly take place is at the bar of this House. There are committees—yes. The very fact that the House has the right to call witnesses before it is indicative of the fact that it also has the power to give that right to a committee.

But the inherent power—and this is the second branch of my case—is that there is, there always has been, and I pray God there always will be, an inherent right in this House, and in the other place for that matter, when there is a feeling that there has been an injustice, some challenge to the authority of the House, and particularly, Sir, when it involves an important officer of the House, for that officer to be called not before a committee but before the bar of the House. The Public Accounts Committee has been suggested. It is or will be charged with the responsibility of dealing with the report of the Auditor General covering the year ended March 31, 1970. There will be no opportunity, there will be no scope, no means by which this matter could be decided by that committee.

I know, Mr. Speaker, that this is a matter which should come to the House itself for decision but I suggest, if some proposition is made that the proceedings and the means are difficult or complex, that this is for the House to decide. If it is difficult, because of the practice and traditions of the past, for us to deal with the situation where an officer of the House appears at the bar of the House, we are not without resources to apply a procedure which will be acceptable.

Now, Mr. Speaker, let me briefly deal with the second part of my case—

Mr. Speaker: Order, please. I certainly do not wish to interrupt the hon. member uselessly or needlessly but I would hope that the presentation could be as brief as possible, although I appreciate the importance of the matter. I trust that the hon. member will indicate as soon as possible the motion that he proposes to submit to the House.

Mr. Baldwin: I shall do that very shortly, Mr. Speaker. I want to make it plain, as I indicated earlier in my argument, that not only is there a question of privilege—all the yowling and screaming from the other side will not prevent me from making my presentation—

Mr. Ricard: The big mouth from St. Boniface (Mr. Guay).

Mr. Baldwin: —but there is also an inherent right of this House to call witnesses before it, not necessarily witnesses who are malefactors or have committed infractions against the privileges of this House but any witnesses. This is an inherent right of the House. This may be unusual but the facts are unusual and call for unusual treatment, especially when the Prime Minister saw fit yesterday—I think this is an issue which Your Honour cannot ignore—to refer to the Auditor General as a lawbreaker and to call upon this House to do something about it.

Our system provides or ought to provide for every person charged with some offence to appear and make his defence in the proper forum. I suggest to you, Sir, that every member of this House has the right in this day, with the continual encroachment of the executive, to have the opportunity to have the Auditor General appear at the bar of the House and make his explanation and indicate his position with regard to this very serious charge which has been laid and the effect it has on the rights of members of this House.

Before I read the motion I would once more call to Your Honour's attention the fact that in the final analysis this is a matter for the House to decide. I am not asking Your Honour to take upon yourself the responsibility of deciding whether the Auditor General should appear before the bar of this House. This is for the House. I would suggest, with the greatest respect, that Your Honour is limited to the question of whether a case has been made which would justify this procedure being adopted. Even if Your Honour does so with the full knowledge that it entails difficulties with regard to procedure, this is a matter for the House to consider and if the House, with full knowledge of what is involved, comes to this decision it is a right which the House should exercise.

I would therefore seek leave to move the following motion, seconded by the hon. member for Saint John-Lancaster (Mr. Bell):

> That the report of the Auditor General of Canada for the fiscal year ended March 31, 1971 not having been laid before this House as set out in the Financial Administration Act, and the Prime Minister of Canada having stated in this House that the Auditor General has broken the law, this House orders that the Auditor General of Canada appear before the bar of this House at a time within seven days of this order to be fixed by Mr. Speaker, there to explain to this House why the said report has not been tabled and there to have the opportunity to make his statement in respect of the said allegation.

• (1430)

Mr. Speaker: Mr. Speaker, as I indicated earlier at the opening of the House, there are a number of motions dealing with the same set of circumstances. I think it might be somewhat difficult to make a ruling in each particular instance and my thought is that all hon. members who have given notice of motions should be given an opportunity to make a brief presentation. Perhaps they might take into account, in making those presentations, that some of the facts have now been laid before the House by the hon. member for Peace River. I am not suggesting that all the motions are the same; I am sure they are all different and that they all take a different approach to the situation mentioned and the circumstances of the case. However, they do, basically, refer to the same set of circumstances and I think it would be in order for the Chair to hear hon. members who have given

notice, subject to a ruling being made in due course. I recognize the hon. member for York South.

MR. LEWIS—DELAY IN TABLING AUDITOR GENERAL'S REPORT

Mr. David Lewis (York South): Mr. Speaker, I will try to be brief. I hope Your Honour will be able to permit me to present the context for the motion which I would move if Your Honour thought there was a prima facie case of privilege. My question of privilege arises out of a complaint by the Auditor General who says that he is prevented from performing his duty, a duty which he is required to carry out on behalf of the members of this House.

Mr. Speaker, it is the duty of this chamber to supervise and, indeed, to control public expenditures. The Auditor General is appointed by statute to examine the public accounts and to prepare a report which would enable the members of this chamber to carry out their duties with respect to supervising and controlling public expenditures. The allegation by the Auditor General that he is being prevented from carrying out his duty therefore clearly means that there is interference with the rights of all members of the House and, indeed, an interference with the duty of this parliament. Therefore it is a matter, in my respectful submission, of privilege concerning all members of the House and the very working of this House of Commons collectively.

The matter effectively came to our attention yesterday and also through reports in the press dealing with statements made by the Auditor General.

Permit me, Sir, to start with the obvious. Aside from our legislative duties as a House of Commons, there is no duty that is more important for members of this House to perform than the duty of watching over public expenditures.

I remind you, Sir, that the early history of the parliamentary system which we follow was essentially a history of struggle between the House of Commons and the Crown as to the authority to impose taxes, to collect taxes and to have control over public expenditures. Some heads rolled as a result of that struggle, Mr. Speaker. Perhaps it is time for political heads to roll now. I remind you, Mr. Speaker, that the result of that struggle, which is historically of immense importance, was that the duty to supervise public expenditures and to control the levying and collection of taxes was placed not in the Crown, not in the executive, not even in the House of Lords or in the Senate, but in the hands of the elected representatives of the people of Canada who sit in the House of Commons. I am reminding the House of these elementary facts because I believe that what is now happening with respect to the Auditor General ought to be placed and understood in that context.

May I also point out to you, Mr. Speaker, and to the House that the duties and functions of the Auditor General are not merely to carry out a simple bookkeeping audit. Section 58, subsection (b) of the Financial Administration Act, for instance, requires the Auditor General to examine public expenditures and to report on whether in his opinion all public money has been fully accounted for, "and the rules and procedures applied are sufficient to secure an effective check on the assessment, collection"—note these words—"and proper allocation of the revenue". Subsection (c) of that section requires the Auditor General to ascertain whether in his opinion "money has been expended for the purposes for which it was appropriated by Parliament, and the expenditures have been made as authorized."

Section 61 requires the Auditor General to report not merely on the accuracy of the bookkeeping, which is what the President of the Treasury Board (Mr. Drury) and the government would like him to do, but to report whether any appropriation was exceeded or was applied to a purpose or in a manner not authorized by parliament. Subsection (d) of that section says he must report whether an expenditure was not authorized or was not properly vouched or certified. He must say, under subsection (e), whether there has been a deficiency and so on. The final words of section 61 provide that the attention of parliament is to be drawn to any other case that the Auditor General considers should be brought to the notice of the House of Commons.

I think it is important that Your Honour—this is the reason I referred to these sections—should consider the duties laid on the Auditor General in the terms I have indicated briefly in order to underline the submission I am making, namely, that the Auditor General is required by statute to prepare, as it were, in detail a report on all aspects of public expenditure for the purpose of enabling members of parliament to do their duty as elected representatives of the people. That is the purpose of the Auditor General. The government has interfered with his performance of that duty. I say that on the basis of evidence we have had for a long time the government has in fact interfered with the performance of his duty. It has mischievously interfered and, the government having done that, it is important for members of the House to look into the matter.

I understand that the Auditor General may have sent a letter to the appropriate minister explaining the reasons for the late filing of the report. If that is so, the letter ought to have been tabled so we could all see it.

I am about to conclude, Mr. Speaker. I will not take more than another minute. I merely point out that the Auditor General, in speaking to the press, has indicated that his staff has been denigrated, that his office has not been given sufficient staff, that 40 of his staff members have resigned and 22 of them have accepted jobs in other government departments for more money than he is permitted to pay them. As I said yesterday, his arms and legs have been amputated and therefore he could not file his report in accordance with the deadline established by statute. I believe there has been mischievous interference, which leaves this whole question in doubt.

If Your Honour accepts the motion moved by the hon. member for Peace River (Mr. Baldwin) and agrees that there is a prima facie case of privilege, I and my colleagues will be happy to support the hon. member's motion. But if the Auditor General appears before the bar of parliament, all that can happen—and I am not taking anything away from the motion of the hon. member for Peace River—is that the Auditor General will have an opportunity to make a statement, and there it has to end. I

feel that this matter requires more inquiry and more examination than that action alone can supply. Therefore, in addition to the suggestion of my hon. friend that the Auditor General be ordered to appear at the bar of the House I suggest that there ought to be a deeper investigation and inquiry into this situation. If, therefore, Your Honour thinks I have established a prima facie case of privilege I would move:

• (1440)

That the complaint of the Auditor General that the government has failed to provide him with such officers and employees as are necessary to enable him to perform his duties, as required by Section 56(4) of the Financial Administration Act, and his consequent failure to submit his report in time, be referred to the Standing Committee on Public Accounts, and that the said committee hear the Auditor General and other witnesses and report its recommendations thereon not later than March 29.

If the government is carrying out its duties as it ought to, if it has nothing to hide, if it has the courage of the convictions which it constantly expresses, but in a hypocritical tones of which I am getting sick—

Some hon. Members: Oh, oh!

Mr. Lewis: —then the government will place such a motion before the House and I will be glad to support it.

Mr. Speaker: Order, please. Hon. members will appreciate that there is something a bit unusual about the procedure we are following this afternoon, but of course it is somewhat unusual to have all these notices about the same circumstances. However, having heard the hon. member for Peace River and the hon. member for York South, probably the best course of action to follow in the circumstances is to hear brief presentations from hon. members in support of their proposed motions. This will give an opportunity for the Chair to consider the matter in its broader aspects, in toto. Chronologically, the next motion of which the Chair received notice came from the hon. member for Annapolis Valley.

MR. NOWLAN—DELAY IN TABLING AUDITOR GENERAL'S REPORT

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I will attempt to be brief, but the point is serious. It raises matters of substance which cannot be sloughed off by catcalls across the way. I did give notice for that reason and to anticipate the President of the Privy Council (Mr. MacEachen) saying that this did not come to the attention of the House at the earliest possible moment.

I was in the House yesterday, Mr. Speaker. Frankly, I could not believe what I thought my ears had heard. It was only when I saw the printed record of this institution that I obtained confirmation of the allegation by the Prime Minister (Mr. Trudeau), an allegation without foundation in the parliamentary annals of the House of Commons, be it on this or the other side of the Atlantic, the Commons across the way that is commonly called the Mother of Parliaments.

Neither the hon. member for Peace River (Mr. Baldwin) nor the hon. member for York South (Mr. Lewis) referred directly to the words used by the Prime Minister. They were an insult to my eyes when I read the printed page. I have tried to give the Prime Minister the benefit of the doubt in the first reference to illegality alleged against the Auditor General when, in answer to a question, the Prime Minister said, as recorded at page 635 of *Hansard*:

—if an officer of Parliament is breaking the law—

In effect he said, don't ask me why he is breaking the law. By innuendo there is a suggestion that the Auditor General is breaking the law, but you cannot raise a question of privilege in this institution where innuendo and imputation are sometimes the order of the day. But in answer to the hon. member for Calgary Centre (Mr. Harkness) the Prime Minister, still conditional and still philosophizing, said:

If parliament wants to condone his breaking the law and not do anything about it—

Thereby the innuendo is removed and by direct reference the Prime Minister is suggesting that the Auditor General is breaking the law of the land. If he is breaking the law of the land, then we can come before Your Honour with a question of privilege.

I suggest this is serious because there are only three servants of this House of Commons—the Chief Electoral Officer, the Official Languages Commissioner and the Auditor General. They are beyond appointment by any department and in their respective capacities and areas of competence are the conscience of this parliament. We are not going to talk about elections and the Chief Electoral Officer, but that is pretty fundamental to the law of the land. This does not involve an area of culture that is part of the history of this land, a responsibility of the Official Languages Commissioner. We are dealing in terms of auditing facts and figures, the power of the purse. The Auditor General is in fact the ombudsman of the purse of Canadian taxpayers from coast to coast.

To suggest even casually that the Auditor General is in breach of the law deserves and demands rebuke, Mr. Speaker. Parliament is the conscience of the land. If this Commons is painted with illegality, how can it discharge the responsibility of being the conscience of the land? The voice in the wilderness across the way is why there is such a thing as privilege. You have to start tying matters down to rules. Whether the Prime Minister likes it or not, there are rules and regulations which governed this institution long before he came here and will govern it long after he is gone.

Some hon. Members: Hear, hear!

Mr. Nowlan: My question of privilege arises from the fact that there is a reflection on the dignity of this House. There are three parts to my question of privilege. I am not going through some of the travesties which have been attached to the dignity of the House by words that have been said both in and out of the House and allegations about the status of members. They have had a deleterious effect on the dignity of this House and on the House discharging its duties. When you have accusations of partiality and discourtesy against members of this House, when you have libels against members of this House that in effect concern the character and conduct of members of the House—

Mr. Speaker: Order, please. The hon. member should relate his remarks to the situation now before the House. I do not think it is competent upon him to review the general situation which may have inspired his comments. I think as much as possible he should try to limit his remarks to what is now before us.

Mr. Nowlan: Mr. Speaker, I am very directly relating my remarks to the situation that arose yesterday. I have tried to lay some foundation in a general historical way for the edification of members abroad. I am not going into the history of why this institution arose to fight the King and obtained the right to impose levies despite what the Crown wanted to do. Coming to today, I am dealing with the dignity of the House in three ways.

According to Beauchesne, when there were accusations of partiality and discourtesy in the past or libels against members that in effect reflected on the conduct or character of members, or scandalous charges or imputations directed against members, these were always found to be a breach of privilege. I am transposing "members" to one of the main servants of the House of Commons. I am asking Your Honour to find that, when there are allegations of partiality, discourtesy or illegality, surely this raises a question of privilege. When there has been a reflection not against the character or conduct of a member but against the character or conduct of one of the three main servants of parliament, surely there is a potential point of privilege. Even more important, without referring to all the references to occasions when scandalous charges or imputations have been directed against members of the House of Commons—Your Honour is more familiar with Beauchesne than I—one need only look to page 98, paragraph 102, of Beauchesne which states that when there are imputations and scandalous charges against members of a select committee you in effect have a point of privilege.

In conclusion, when the Prime Minister of this land, the leader of this government, alleges illegality against one of the three servants of this institution, you have ipso facto a point of privilege. I support the motion of the hon. member for Peace River—

Mr. Speaker: Order, please. The hon. member was given the floor for the purpose of proposing a motion. It is well known that on a question of privilege hon. members are given an opportunity to propose their motions and indicate their question of privilege. There is no debate, the responsibility being cast by members on the Chair to decide whether there is a prima facie case of privilege. I do not think it is in order for a member to give notice to the Chair and then to sit down having said he supports a motion proposed by some other hon. member. The hon. member has given notice and I heard him for that purpose. I do not want to make things difficult for the hon. member. On the other hand, I would not want to establish a precedent that members can simply give notice for the purpose of supporting some other motion proposed by another member. I shall not press the matter further.

• (1450)

Mr. Nowlan: With all respect and due deference to the Chair, I was coming to the point where I was going to make a separate motion. I not only support the motion moved by the hon. member for Peace River, but I move that the Prime Minister admit the impropriety of his remark and that he withdraw it.

Mr. Speaker: Order, please. The hon. member for Winnipeg North Centre.

MR. KNOWLES (WINNIPEG NORTH CENTRE)—DELAY IN TABLING AUDITOR GENERAL'S REPORT

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wish to indicate my support for the contention of the leader of this party, the hon. member for York South (Mr. Lewis), that if there has been any breaking of the law it is to be found in the failure of the government to carry out the provisions of section 56(4) of the Financial Administration Act.

However, I too have sent Your Honour notice of my intention to raise a question of privilege because I feel that there is a distinct aspect of this matter that should be considered. As Your Honour has pointed out to us many times, the whole question of privilege is a very difficult one, and the Chair is not supposed to find that there is a prima facie case of privilege unless it can be shown that the privileges of a member or of members of the House of Commons have been offended. It is my contention that this is what has been done. I contend that our privileges have been attacked and therefore, something should be done about it.

In what way do I contend that our privileges have been attacked? Let me put it this way. The Auditor General is an officer of the parliament of Canada. He is responsible to this House. He is also responsible to the other place, but that is by the by; he is responsible to us. I contend that when the Prime Minister (Mr. Trudeau), the leader of this House, makes statements on the floor of the House, statements which in turn are carried in the press, to the effect that an officer of this House is a lawbreaker, that he failed to keep the law, and that this action on his part is being condoned by parliament, then we are involved in the making of charges against an officer of this House, charges in which we have had no say.

It is not just a case of a backbencher standing up and saying something that is unfair, cruel or untrue of an officer of this House; it is a case of the leader of this House standing in his place and saying that an officer of this House has broken the law. I contend, therefore, that we should have the opportunity to express ourselves on the contention of the Prime Minister.

I believe that the way for us to resolve this matter now is to hear from the Auditor General, to hear from this person who is an officer of this House. I think, therefore, that he should be given an opportunity of telling us why he has not been able to file his annual report on time.

I am in general sympathy with the motion presented by the hon. member for Peace River (Mr. Baldwin), and if Your Honour allows that motion my colleagues and I shall certainly support it. But I do feel a little bit unhappy about the way in which the motion seems to order the Auditor General here, as though he had done something wrong. I think that the way in which it should be put is

that the Auditor General, having been attacked in this House by the Prime Minister, should be given the right, the opportunity, to appear before this House to tell us why he has not been able to file his report on time. Then and only then would it be possible for this House to make a decision whether or not the Auditor General has broken the law.

I repeat, Sir, that I feel we do have the quality of privilege in what I am presenting to the Chair at the present time. The members of this House have had their reputations damaged because they sit here having been spoken for by the Prime Minister, who has made statements that they do not support and in which they have had no part whatsoever.

Therefore, Mr. Speaker, if you find that I have a question of privilege I would be happy to move:

That the Auditor General of Canada, having been accused by the Prime Minister of non-compliance with the law respecting the filing of his annual report, be permitted to appear before the bar of the House of Commons for the purpose of stating the reasons for his not having been able to file his report within the time specified in the Financial Administration Act.

Mr. Speaker: The Chair has also received notice of a question of privilege from the hon. member for Egmont.

MR. MACDONALD (EGMONT)—DELAY IN TABLING AUDITOR GENERAL'S REPORT

Mr. David MacDonald (Egmont): Mr. Speaker, I am sure the House is waiting breathlessly. I think that much of this present discussion would be unnecessary for the members of the House had the government, throughout its brief history in office, acted properly with respect to this important officer of the House. As in all things within the ambit of a question of privilege, there is a fair bit of discretion put in the hands of the Speaker. It has been a well known fact that through the centuries of traditions and the functioning of parliament questions of privilege must relate, when they are raised, to the context of the day. I think the very real context of the discussion being pursued at the present moment relates to the well known attitude of this government toward the functions of the Auditor General.

Perhaps the verbal indiscretion yesterday afternoon of the Prime Minister (Mr. Trudeau) would have been accepted simply as that had we not had the previous experience of dealing with legislation in this House that obviously was out to muzzle and to limit the powers of the Auditor General. The position is made clear in Bourinot's Rules of Order, page 40, and I should like to quote from that page briefly:

Questions of privilege cover a wide range, but it may be stated in general terms that they refer to all matters affecting the rights and immunities of the House collectively, or to the position and conduct of members in their representative character. In other words, a breach of privilege is a wilful disregard by a member or any other person of the dignity and lawful authority of parliament.

With regard to matters affecting the rights and immunities of the House collectively, it is indeed difficult to think of questions of privilege that would more directly affect the collective rights and responsibilities of this House than the disposition of public funds. Surely this is of even greater importance today in view of the recent changes that have been made in the rules which effectively restrict the competence of the House to deal with the estimates that are regularly before us. The House has already been limited, through the alteration of these rules, in regard to its control of the estimates.

Now we have seen, through the information conveyed to us by the Prime Minister yesterday, that the Auditor General, in his function as watchdog of the public purse, is being even more severely restricted. Surely a debate on this matter should not be necessary at all. It has already been suggested by the leader of this House that the Auditor General is breaking the law. When that kind of statement is made within this chamber, there is no recourse to a higher court. Members are placed in the difficult situation of being informed by the leader of this House that one of its own statutes is being wilfully broken by an officer of this House.

• (1500)

Surely it is of the utmost importance that hon. members of this Chamber be allowed to reach a decision on this important question. What is being asked for in this instance is not so much a decision from Your Honour as to the desirability or otherwise of having such a motion brought before the House; what is obviously necessary is that we should be allowed to reach a decision on such an important question. How can this chamber continue to function day after day and week after week if there is no opportunity for us either to confirm or discount the validity of the statement made yesterday by the Prime Minister? Surely it makes a mockery of the stewardship we are supposed to exercise in this place. Nothing is more basic—

Mr. Speaker: Order, please. The hon. member indicated in his opening remarks that he intended to be brief. He should indicate as soon as possible the nature of his question of privilege. The hon. member is now making the kind of speech which would normally be made if there were a debate on the question of privilege. I hope he will take into consideration the fact that other hon. members have been brief in their presentations and have not wandered too far from the motions they propose to make. I trust the hon. member for Egmont will indicate as soon as possible what his motion is.

Mr. MacDonald (Egmont): Before I do that, before I indicate the nature of my motion, may I say this? The Prime Minister made it very clear that if an officer of parliament was breaking the law an hon. member should not ask the Prime Minister why he is breaking the law; he should address that question to the officer of parliament concerned. Surely there is only one context in which this can take place, namely, in the House of Commons. What is being sought is an opportunity for the House to make that decision. I believe there is here a question of privilege based both on deliberate interference with the Auditor General's ability to carry out his responsibilities plus the fact the Prime Minister has indicated he is presently breaking the law. I believe we should put the motion in order to clarify this situation.

If Your Honour rules there is a prima facie case of privilege, I would be prepared to move:

Business of the House

That this House make available to the Auditor General such resources as are necessary for the fulfilment of his legislative mandate.

Mr. Speaker: The Chair has now heard from the hon. members who have given notice under the terms of Standing Order 17. I am not sure whether the President of the Privy Council indicated earlier that he wanted to make some comments from a strictly procedural standpoint. If he is prepared to do so, this is as far as the Chair would be prepared to go. I will hear the minister and then take the matter under advisement.

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, if I had been shaking in my boots at the possible damage to the government which might be inflicted by this issue, I have been totally relieved by the contradictory and discordant effort which has been made on the part of the opposition to find ways of attacking the government and of attempting to solve the problem.

The Conservative party alone has three different proposals as to the manner in which the House ought to deal with what is claimed to be a question of privilege. The hon. member for Peace River says: take the Auditor General to the bar of the House. The hon. member for Annapolis Valley says: apologize, Prime Minister. The hon. member for Egmont has unleashed an unfocused chorus of vocal frustration, ending by letting the cat out of the bag and placing an ordinary substantive motion before the House. If there was any doubt whether this matter involves privilege it has been clearly dispelled by the motions which have been proposed. At least three of them are substantive motions which can only be heard upon normal notice being given and which do not raise any question of privilege at all.

The hon. member for York South proposed that this matter go to a committee. He made a reasonable defence of that proposal. He wanted a deep examination of the facts. He wanted, really, to know whether there was justification for the complaints which have been made by the Auditor General. He must, at least, have an open mind because he wanted to have a complete examination carried out by a standing committee.

His deskmate, the hon. member for Winnipeg North Centre (Mr. Knowles), really did not accept the lead of his leader. He favoured a modified version of the Peace River proposal. He said: Come to the bar, Auditor General, but please come; we do not order you to come but come at our gentle invitation.

The question of legality has been raised. A number of the comments made suggested that the question of privilege rested on words uttered by the Prime Minister yesterday. My foundation for that statement is the particular comments made by the hon. member for Annapolis Valley and the words used in the motion of the hon. member for Peace River. The matter has been alluded to less directly by other hon. members. I would resubmit my argument that if the words uttered by the Prime Minister involved a matter of privilege then the matter ought to have been raised instantly. In fact, it was—almost—raised instantly by the hon. member for York South. And it was disposed of by the House.

[Mr. MacDonald (Egmont).]

Mr. Speaker: I have to interrupt the minister for a moment. I believe the hon. member for Cape Breton-East Richmond wishes to rise on a point of order. I hope we can resolve this matter without too many points of order and further questions of privilege.

Mr. MacInnis: Mr. Speaker, I raise the same point of order as the leader of the House tried to raise earlier in the debate. My point of order can be substantiated by your own remarks as recorded in *Hansard* when the Prime Minister and the hon. member for York South were engaged in an exchange in the House. The Prime Minister definitely said that the hon. member for York South was twisting his words and you, Sir, made at that time no ruling on a question of privilege but asked the hon. members, as you will see from the record of the House, to avoid any further exchanges on the basis that they were not contributing anything to the debate. There was therefore no ruling on any question of privilege yesterday.

Mr. Speaker: Perhaps we might try to make further progress. We have been engaged on this matter for over an hour now. I would hope we might go on soon with the business of the House on the understanding that I will take into consideration all the points which have been expressed, including the point of order raised by the hon. member for Cape Breton-East Richmond.

• (1510)

Mr. MacEachen: Mr. Speaker, I was stating that if the comments made by the Prime Minister were complained of, then under the rules it was the obligation of hon. members to raise the matter at that time. In fact the hon. member for York South did raise the matter under a question of privilege. So it is my submission it would not be possible to raise that matter again at this time under the guise of privilege. As a matter of fact, my position is supported by what happened earlier in the week and particularly by the question the hon. member for Calgary Centre (Mr. Harkness) addressed to the Prime Minister on March 6, 1972, as recorded at page 541 of *Hansard*. The hon. member for Calgary Centre put this question:

Mr. Speaker, may I direct a question to the Prime Minister. Since the Financial Administration Act provides that the report of the Auditor General shall be laid before the House of Commons by the minister on or before December 31 or, if parliament is not then in session, within 15 days after the commencement of the next ensuing session, and since this is the eighteenth day of the present session, why has this report not been laid before parliament. What excuse, if any, is there for this breach of the law?

Some hon. Members: Oh, oh!

Mr. MacEachen: So, the first reference—

Mr. Harkness: Mr. Speaker—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I wonder whether it is the intention of hon. members that we should have a debate for the rest of the day on this subject. If we are to pursue points of order and questions of privilege, that might be the easiest decision to make. I think we should try to bring the matter to an early conclusion. We have heard from hon. members. The President of the Privy Council should

have the right to rise and state his views and I certainly will listen to him with the same patience, forbearance and understanding with which I have listened to other hon. members. I gather the hon. member for Calgary Centre wishes to rise on a question of privilege. Perhaps I might be allowed to suggest that it is difficult to have a further question of privilege when we have one already before the House, but with the consent of hon. members we might allow the hon. member for Calgary Centre to indicate what he has in mind.

Mr. Harkness: Mr. Speaker, I think the statement which has been made by the President of the Privy Council does give rise to a question of privilege but so far as I am concerned I would be quite happy, if it would be your desire, to wait until the President of the Privy Council has finished and then raise my question of privilege on what he said. The reason I rise at this moment is that I believe the rules provide that one is supposed to do so immediately. Mr. Speaker, I wait for your direction.

Mr. Speaker: Order, please. I will allow the hon. member for Calgary Centre to indicate his grievance, point of order or question of privilege and then we will try to end the discussion with the last concluding words from the President of the Privy Council. I think we should get on with the other business of the House. I would not try to minimize the importance of this subject but perhaps we have heard most of the points of view and aspects of the situation. The hon. member for Calgary Centre.

Mr. Harkness: Mr. Speaker, when I asked what I thought was a perfectly innocent question I did not expect I would open the sort of debate on various points which has ensued. However, my point of privilege is that I did not as a matter of fact accuse the Auditor General, as now implied by the President of the Privy Council and I think by the Prime Minister (Mr. Trudeau) yesterday, of being in breach of the law.

An hon. Member: Read it.

Mr. Harkness: As recorded at page 541 of *Hansard* I read the relevant section that the President of the Privy Council has just read from the Financial Administration Act which states that the report of the Auditor General shall be laid before the House of Commons by the minister on or before December 31 or, if parliament is not then in session, within 15 days after the commencement of the next ensuing session. Then I asked, since this is the 18th day of the present session, why has this report not been laid before parliament and what excuse if any, is there for this breach of the law?

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Harkness: Mr. Speaker, it is quite evident—

An hon. Member: It sure is.

Mr. Speaker: Order, please.

Mr. Harkness: —that there has been a breach of the law.

Mr. Speaker: Order. The hon. member should be given an opportunity to complete his remarks.

Mr. Harkness: It is quite evident there has been a breach of the law—

Mr. Trudeau: Say that again.

Mr. Harkness: —but the breach of the law so far as this section is concerned is on the part of the minister. I might say that had I been sure which minister it was I would have asked him the question directly. At one time it was the Minister of Finance. I think now it is the President of the Treasury Board (Mr. Drury), but I do not know. The President of the Treasury Board shakes his head. For that reason and because the Prime Minister is the responsible head of the government I directed the question to him. In any event, so far as this section of the act is concerned I think it is quite clear that the person who is in breach of the law is the minister who I take it now is the Minister of Finance.

Mr. Speaker: Order, please. It seems to me that the hon. member has made his point. I wonder again whether there is any point in pursuing the matter further. The hon. member rose on a question of privilege. He has indicated what his grievance is. It seems to me we should co-operate with one another in an effort to bring this interesting debate to a close.

Mr. Harkness: Mr. Speaker, I have just one more point to make, if I may. I think the minister was in breach of the law not only because he did not place the report before parliament but also, not having been in a position to do so, he should have put before parliament the reasons the report was not presented and then all of this would not have been raised.

Some hon. Members: Hear, hear!

Mr. Harkness: It is because the minister—

Mr. Speaker: Order, please. We are obviously debating the issue. We could continue this argument for a long time this afternoon, but I invite hon. members to permit the Chair to try to bring the matter to an end. I will listen to the President of the Privy Council briefly and then indicate what the ruling might be.

Mr. MacEachen: Mr. Speaker, I think we have made considerable progress because the hon. member has indicated what he intended—

An hon. Member: What he said. Read it.

Mr. MacEachen: Mr. Speaker, I must say that the question of privilege was raised by the hon. member after I had finished reading his question without any further comment or conclusion on my part on it. My point is now—

• (1520)

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. Again I suggest to hon. members that if this is the kind of House they want we

could go on eternally. I think there is a responsibility on both sides of the House to try to bring this matter under control. I invite the President of the Privy Council to indicate as soon as possible what the point is that he wants to make. He has had the floor now for some time.

Mr. MacInnis: I am rising on a point of order, Mr. Speaker.

Some hon. Members: Oh, oh!

An hon. Member: Why don't you go home?

Mr. MacInnis: Keep on braying. Since I have been recognized by the Chair I do not intend to compete with the braying on the other side.

The House leader is now trying to mislead every member of the House by saying that he read the question of the hon. member for Calgary Centre and made no comment. The record will show that the House leader clearly made comments on the very statement he read into the record.

Mr. Speaker: Order, please. I will advise hon. members that I will allow the President of the Privy Council to conclude his remarks briefly. I will hear no further about this matter. It is just as simple as that.

Mr. MacEachen: May I point out to you, Mr. Speaker, in all seriousness, that the opposition parties put up five members on this subject who continued until well after three o'clock. From the moment I rose to my feet I have occupied only a small part of the time. It has been mainly occupied by members of the opposition. I ask Your Honour to reconsider whether it is fair to this side of the House to ask me, in light of the time elapsed, to conclude my remarks briefly.

Mr. Speaker: I think it is fair and I invite the President of the Privy Council to do so.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I think it should be clear that I did not ask the President of the Privy Council to resume his seat. I asked him to be as brief as possible in concluding his remarks. I did not intend to suggest that the remarks of the President of the Privy Council were finished. I would not have wanted to do this because I do want to take into account that there have been five contributors from the left of the Chair on the question of privilege and it would be unfair to the President of the Privy Council if I were not to allow him to say what he has in mind. However, I would suggest to him that he should speak as briefly as possible, and I am asking him to do what I asked other members to do when they made their contributions to the question of privilege.

Mr. MacEachen: I appreciate your admonition and I will attempt to conclude my remarks as briefly as possible in a much shorter time than has been used by the opposition. I believe that the hon. member for Calgary Centre was the first person in the House this week to allude to a breach of the law. There is no question about that. The second person, in my study of *Hansard,* who has not used those words but who raised the subject in the context was the Right Hon. Robert L. Stanfield, Leader of the Opposition.

[Mr. Speaker.]

Some hon. Members: Hear, hear!

Mr. MacEachen: I am following the mistake that was made the other day on his radio program.

Mr. Aiken: It is a forecast, not a mistake.

Mr. MacEachen: He said:

> Mr. Speaker, I have a question for the Prime Minister who undertook on Monday, I believe, to investigate why the report of the Auditor General had not been tabled in the House within the time required by law.

I think that is a totally neutral statement. It is a fact that the report of the Auditor General has not been tabled in the House in the time required by the law. The hon. member for Calgary Centre said that the minister has breached the law. He is a fair hon. member and he should ask himself whether that is a fair charge against the minister that he breached the law by failing to table the report which had not been provided to him under the terms of the same law by the Auditor General.

Some hon. Members: Hear, hear!

Mr. Harkness: I said a few minutes ago that he might well have had a good excuse.

Mr. MacEachen: The Prime Minister then referred to the same matter and referred obviously to the breaking of the law. There is no doubt in anybody's mind that the law has not been complied with. It is not the first time that the law has not been complied with in respect of the tabling of the Auditor General's report. This is the sixth year in succession that the Auditor General's report has not been tabled under the terms required by the law.

Some hon. Members: Why?

Mr. MacEachen: I ask you, Mr. Speaker—and I am coming to a conclusion—why has the matter become a question of privilege in its sixth year and not in its first, second, third, fourth or fifth years? Those are the facts, and at no other time has this House raised a question of privilege.

I make a final concluding point, Mr. Speaker, and it is this: it is suggested—and I will not go beyond that—that the Auditor General—let me put it in the most neutral way because I do not want to denigrate in any way the post of the Auditor General.

Some hon. Members: Oh, oh!

Mr. MacEachen: It is not my intention and it is not the intention of the government to do that. We want to co-operate with his work in the greatest possible way. So let me say it has been suggested that the report has not been tabled, that the law has not been complied with because facilities have not been made available to the Auditor General. That is the contention. We on this side do not accept the validity of that contention.

Some hon. Members: Oh, oh!

Mr. MacEachen: We regard it as a matter of debate, of dispute, and not a matter of privilege. But in order to ensure that the facts are studied properly and in the proper form we are ready to accept the motion put by the hon. member for York South. If he will agree and the House will agree to accept this motion and to send the matter to the committee without debate, the inquiry can start tomorrow.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. We may be going beyond the point of the question of privilege or the procedural aspects of the question of privilege. I would not want hon. members to become involved in a debate when it has not yet been determined that there should be such a debate. I would certainly hope that the President of the Privy Council will again limit his contribution to the strictly procedural aspect of the matter. Having said that, I am not sure how far we should go in responding to the comments just made by the President of the Privy Council, whether there should be further points of order, further questions of privilege. Perhaps it might be wise to allow the matter to rest at this point.

• (1530)

Mr. Guay (St. Boniface): That's a commitment, Bob.

Mr. Speaker: Order, please. Is the hon. member for York South rising on a point of order?

Mr. Lewis: I am rising on a point of order, but very briefly, Mr. Speaker. We are happy to accept the government's belated arrangement, which it should have taken the initiative in proposing.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I will allow the hon. member just one moment because we certainly cannot get involved in a debate now on which motions are acceptable and which motions are not acceptable. That would be unfair to other hon. members who have placed motions before the Chair and on which no ruling has been made. I believe the hon. member says that his point of order is coming to a conclusion. I will hear him to that conclusion.

Mr. Lewis: Yes, Mr. Speaker. I was merely going to conclude, having said we would be glad to accept that, as I am sure other members would, by asking the minister whether now, or on motions, he will carry out his acceptance of my motion and move it today?

Mr. MacEachen: Yes, Mr. Speaker, and I said that this should be without debate because we have other government business before the House. If we can pass it without debate, as I stated, then I will put the motion on motions.

Mr. Knowles (Winnipeg North Centre): Agreed.

ROUTINE PROCEEDINGS

PUBLIC ACCOUNTS

REFERENCE TO STANDING COMMITTEE OF AUDITOR GENERAL'S COMPLAINT OF LACK OF STAFF TO PERFORM DUTIES AND SUBMIT REPORT ON TIME

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I would like to move, seconded by the hon. member for York South (Mr. Lewis):

That the complaint of the Auditor General that the government has failed to provide him with such officers and employees as are necessary to enable him to perform his duties, as required by section 56(4) of the Financial Administration Act, and his consequent failure to submit his report in time, be referred to the Standing Committee on Public Accounts, and that the said committee hear the Auditor General and other witnesses and report its recommendations thereon not later than March 29.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. For a long time now I have been threatening hon. members with the possibility of a motion from the government under Standing Order 43, and apparently this is what we are getting at this time. Hon. members have heard the motion. Is there unanimous consent?

Some hon. Members: Agreed.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, we are very happy to accept the motion on the understanding, of course, that you are still going to consider the questions of privilege that have been raised.

Mr. Speaker: Of course the hon. member will realize that I will consider the questions of privilege, but at the same time, to be very honest, I would think that if this motion were accepted by the House it might have an influence, not an undue influence but some kind of influence, on the consideration of the matter by the Chair. I think it would certainly not be honest on my part to say that this would not be one of the factors considered by the Chair in deciding whether there is a matter of privilege before the House. I do not say it is the only matter that would be given consideration. I would certainly give every consideration to all aspects of the matters referred to by hon. members. I think that assurance can be given by the Chair, but I really think the Chair should not be involved in this at all. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: The motion is carried.

Motion agreed to.

* * *

CANADIAN BROADCASTING CORPORATION

DISPUTE WITH NABET—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, after that successful effort I would like to try a motion under Standing Order 43. The matter is the impasse in

contract negotiations between the CBC management and the National Association of Broadcasting Employees and Technicians, which is seriously and presently affecting the public interest by preventing the broadcast of National Hockey League games on our national television service. With the consent of the House I will move, seconded by the hon. member for Churchill (Mr. Simpson):

This House urges the government to act forthwith to put into immediate effect the conciliation board recommendations and such further concessions as the CBC management may have since offered, and to instruct the CBC management to negotiate in good faith thereafter with the National Association of Broadcast Employees and Technicians with a view to the settlement of any matters then in dispute. And this House further urges that if the CBC management and the National Association of Broadcast Employees and Technicians fail to conclude a settlement within three days after such instruction is given, the government take measures to establish procedures for effecting a settlement and for broadcasting National Hockey League games on our national television service.

I hope that the poor people in Toronto get their Saturday night broadcast, even though I am a Montreal fan.

Mr. Speaker: Hon. members have heard the motion proposed by the hon. member for Saint John-Lancaster. The motion requires consent in the same way as the previous motion. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: I regret to advise the hon. member that unfortunately there is not unanimity. This interesting motion cannot be put.

* * *

MANPOWER

LOCAL INITIATIVES PROGRAM—TABLING OF ENDORSEMENTS OF PROCESS OF THE FINAL JUDGMENT PROJECT

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, under Standing Order 41(2) I wish to table copies of the letters of recommendation, appreciation and endorsement relating to the Process Church of the Final Judgment, pursuant to the request made by the hon. member for Oxford on March 6.

Mr. Nesbitt: On a point of order, Mr. Speaker, I wish to point out that there was some disturbance in the House. I am sorry that I was unable to hear the minister.

Mr. Speaker: My understanding is that the minister referred to a motion. Would the minister repeat the motion? I believe it alluded to an exchange with the hon. member for Oxford, and he ought to be given an opportunity to understand what the motion was.

Mr. O'Connell: Mr. Speaker, I was just tabling under Standing Order 41(2) copies of letters of recommendation and endorsement concerning the Process Church of the Final Judgment as requested by the hon. member for Oxford.

Mr. Nesbitt: I thank the minister.

[Mr. Bell.]

[*Translation*]

GOVERNMENT PUBLICATIONS

TABLING OF BOOK, "CANADA"

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, in keeping with the practice adopted two years ago and further to the wish expressed by Your Honour to expedite the distribution of the Statistics Canada publication entitled "Canada", it is my pleasure to table, in both languages, copies of this publication.

[*English*]

ORAL QUESTION PERIOD

AUDITOR GENERAL

REQUEST FOR TABLING OF CORRESPONDENCE CONCERNING DELAY IN PREPARATION OF REPORT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to direct a question to the Minister of Finance. I would like to ask the minister whether he has received any communication from the Auditor General relating to the preparation and presentation of the Auditor General's report to parliament for the fiscal year ended March 31, 1971, and, if so, what form of communication?

Hon. John N. Turner (Minister of Finance): Yes, Mr. Speaker, I have. As hon. members know, the Auditor General is an officer of parliament and has a duty under the Financial Administration Act to table annually his report. That report is tabled through the Minister of Finance who has the duty to table the report if, as, and when he receives it. I talked to Mr. Henderson this morning and advised him of the possibility that his letter to me of March 7 might well be called for by hon. members of the House. In that letter he advised me of being unable to hand me his annual report before the month of May. I replied to his letter this morning, March 9, and I would be perfectly willing, with the consent of the House, to table that correspondence in view of what has transpired.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I wonder if the letter in question is not too long whether it might not be placed in *Hansard*.

Mr. Speaker: Order, please. I believe the hon. member for Peace River has a supplementary question.

Mr. Baldwin: Mr. Speaker, unless the letter is of inordinate length it might well be placed in the record of *Hansard*, or attached to *Hansard*.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, since the matter has been referred to a committee the proper incorporation might be in the minutes of that committee.

• (1540)

RESEARCH

RELATIONSHIP OF GRANTS TO FOREIGN COMPANIES TO GOVERNMENT POLICY ON FOREIGN OWNERSHIP

Mr. David Lewis (York South): Mr. Speaker, I should like to direct a question to the Prime Minister arising out of the report of CALURA, the report under the act requiring corporations and labour unions to make certain returns, and arising out of the fact that the report shows that Canadian controlled companies obtained 7 per cent of their research and development funds from federal government sources and that foreign owned companies received 23 per cent of the funds spent on research and development. Can the Prime Minister tell the House whether this discrepancy between Canadian and foreign owned companies with respect to government grants in the field of research and development is consistent with the existing government policy in the field of foreign ownership and in development and research.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, perhaps I can answer this question but in order to do so properly I would have to make certain qualifications. First of all, the statistics quoted by the *Globe and Mail* are not exact; it is 19 per cent, not 23 per cent. Secondly, the figure given by Statistics Canada does not cover the whole of the research and development. For example, IRDIA grants are not included, and under that program Canadian-owned companies do much better than American-owned companies in Canada. Thirdly, the figures do not take into account research and development done by American-Canadian owned companies outside Canada, and this would be an important factor. All of these factors would have to be taken into account in order to make a proper assessment of what the situation is. Basically, the answer is that one day the opposition complains that American-owned companies are not doing enough research in Canada and the next day, as today, they complain that they are getting more government funds as they are doing more research—

Mr. Speaker: Order, please. I think the hon. minister would agree that he is now debating the issue. The hon. member for York South on a supplementary.

RELATIONSHIP OF DEFENCE CONTRACTS TO ALLOCATION OF FUNDS

Mr. David Lewis (York South): A supplementary, Mr. Speaker. Unfortunately, I cannot debate that question with the minister, but may I ask him whether one of the reasons for the way in which funds are decided is related to defence contracts? Is that the area in which the foreign owned corporations do more?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, defence is one of the areas where American owned companies in Canada do more research and development than Canadian owned companies. Generally speaking, a lot of the American companies research in Canada is in the more technologically sophisticated area of Canadian industry and my department

gives grants without reference or discrimination concerning the ownership of the company. As they do more, they get more research funds.

* * *

ELECTIONS

GOVERNMENT POSITION ON AMENDMENT TO CORPORATIONS AND LABOUR UNIONS RETURNS ACT REQUIRING REPORTING OF POLITICAL CONTRIBUTIONS

Mr. David Lewis (York South): May I have a further supplementary which I should like to address to the Prime Minister. In view of the fact that the government, for one reason or another, has not introduced and is not proposing to introduce in this session any legislation dealing with election expenses, is the government considering or would the government consider introducing an amendment to the act requiring both labour unions and corporations to report their contributions to political parties and candidates?

Right Hon. P. E. Trudeau (Prime Minister): I shall look at the suggestion of the hon. member, Mr. Speaker.

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AUDITOR GENERAL

POSSIBILITY OF REPORT TO SPEAKER TO GIVE FREEDOM IN DECIDING STAFF MATTERS

Mr. Lloyd R. Crouse (South Shore): I have a question for the Minister of Finance supplementary to the one asked by the hon. Leader of the Opposition. Since the Auditor General is a servant of this House, has the minister given any thought to having the Auditor General report to the House of Commons through the Speaker who would then determine the total budgetary requirements of the Auditor General? In this way the Auditor General would be free to establish rates of pay and other conditions of employment for his staff, as well as the size of his establishment, provided he stayed within his budget. This could well eliminate the present impasse.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, how the Auditor General should report is a matter for Parliament to decide, because he is an officer of this House. Perhaps any representations should be made to the committee which will hear this matter.

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[*Translation*]

CENSUS

DATE OF PUBLICATION OF RESULTS

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I have a question for the hon. Minister of Industry, Trade and Commerce.

May I ask him whether the results of the 1971 census will be published shortly?

Inquiries of the Ministry

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, the census report will be divided into several stages and I do not remember them all. Some figures will be issued in April, others in June, and others in July. If my hon. friend would wait a while I could supply him with the dates when we expect to receive various parts of the census results.

* * *

[*English*]

MANPOWER

LOCAL INITIATIVES PROGRAM—REQUIREMENT THAT APPLICANTS BE CANADIAN OR LANDED IMMIGRANTS

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, yesterday I put a question to the Minister of Labour regarding eligibility for LIP grants. The minister replied that he was not sure of the answer but would look into the matter. The question was whether non-Canadian citizens who did not become landed immigrants would be eligible for grants. Is the minister in a position to give an answer today?

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, two circumstances prevail. In the case of sponsors, the requirement is that if they are receiving remuneration they must conform with the laws of Canada. That is spelled out. They must be either citizens, landed immigrants or if neither of those, they must have work permits. The same would apply for persons employed on a project. They must be citizens or landed immigrants or have work permits. The question of citizenship is not directly asked. The requirement is that all employees be paid and sponsors conform to all the laws of the competent authority, and that includes the labour laws.

Mr. Speaker: I shall allow the hon. member's supplementary but I think I should draw to the attention of hon. members that I shall attempt to recognize some of those who were not recognized yesterday. I think they can identify themselves or perhaps go back to *Hansard* and see whether or not they were reported yesterday. I shall make the effort today to recognize some of those who were not given the opportunity to ask questions yesterday. For the moment, the hon. member for Oxford may ask a supplementary.

LOCAL INITIATIVES PROGRAM—REQUEST FOR INVESTIGATION OF PARTICIPANTS IN CERTAIN TORONTO PROJECTS

Mr. W. B. Nesbitt (Oxford): Will the minister undertake to investigate the LIP projects in Toronto which have been under discussion lately, both in this House and outside, in order to ascertain whether all the recipients come within the three categories that he has just mentioned, and will he report to the House?

Hon. Martin P. O'Connell (Minister of Labour): I do not think I shall give that undertaking, Mr. Speaker. I do not understand these opposition attacks on Toronto. I would invite the opposition member to be specific with respect to any project that he thinks does not conform. I do not propose to terrorize the city of Toronto.

[Mr. Laprise.]

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Nesbitt: Mr. Speaker, I cannot have the minister twisting my words like that.

Mr. Speaker: The hon. member rises on a point of order. I will recognize him. Certainly, I agree with the hon. member that that is debate.

Mr. Nesbitt: On a point of order, Mr. Speaker, I am sorry that the hon. minister, who is new at his job and until now has been very agreeable, would take this opportunity of clearly twisting my words—although perhaps he does not hear very well—by stating that I am making attacks on the city of Toronto. The minister knows perfectly well the projects that I have in mind. They have been mentioned time and again in this House, in the press and everywhere. I hope the minister will reconsider his remarks.

Mr. Speaker: Order, please. I hope we do not have the same situation as we had yesterday when most of the 40 minutes were taken up with points of order. That is why I have an obligation today to many hon. members who were not recognized yesterday, including the hon. member for Greenwood.

Mr. Brewin: Mr. Speaker, my question is addressed to the—

Mr. Speaker: Order, please. I apologize to the hon. member. The hon. member for Gander-Twillingate rises on a question of privilege.

Some hon. Members: Oh, oh!

Mr. Lundrigan: I hope Your Honour will give me at least a minute in view of the fact that we have taken two hours today on questions of privilege. The fact is we have asked about a $150 million program brought into effect on October 1. I have had calls today from people who received $20,000 cheques in the mail with no strings attached. They could use the money to go to Spain as far as the government is concerned. We have a responsibility, Mr. Speaker, to ensure that there is at least some control and some evaluation of the procedures to make sure this money is well spent.

• (1550)

Mr. Speaker: Order, please. What that has to do with a point of order is beyond the comprehension of the Speaker. This is debate. There are many opportunities for debating these points. This is what I have tried to point out to hon. members. Certainly, we are not using the question period the way it ought to be used if we spend five or ten minutes on every question. I am not condemning any individual member because I appreciate that the hon. minister himself gave a response which gave rise to debate. However, we are certainly not helping hon. members who are trying to ask questions if we raise these questions of privilege or points of order. The hon. member may have a valid point and I will recognize him in a moment for a question, if he wants to ask one.

Mr. Lundrigan: Mr. Speaker, I had almost finished my remarks. I certainly want to say, in view of the attack by the minister on the legitimate efforts of members of the opposition to ensure that there is some control of government spending of this money, that I request the minister, on behalf of the opposition to withdraw those remarks which are unfair.

Mr. Speaker: This is obviously debate. There is no precedent to indicate that this kind of remark ought to be withdrawn, either by the minister or an individual member. I will again recognize the hon. member for Greenwood.

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EXTERNAL AFFAIRS

AID TO BANGLA DESH—CONSIDERATION OF REQUEST FOR COMMUNICATIONS AND TRANSPORTATION EQUIPMENT

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is addressed to the Secretary of State for External Affairs. In light of the recent announcement by CIDA that the total Canadian contribution for emergency relief for refugees in India and Bangla Desh amounts to $11.5 million out of a total allocation of $20 million, and in light of reliable reports to the effect that there is immediate urgency for transportation and communication, has consideration been given by the government for emergency action to provide STOL aircraft, locomotives, bridges and technical equipment, in order to prevent an even greater disaster in Bangla Desh?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, so long as I am not misunderstood, the answer to the question is, yes. Consideration has been given to this possibility, although our resources in this field are not as good as in other fields and we are not as well situated as some other countries to provide this kind of help. However, the President of CIDA is going to Dacca during his trip to the subcontinent and will investigate the question directly.

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GRAIN

SALE TO RUSSIA—POSSIBLE SHIPMENT THROUGH PORT OF CHURCHILL

Mr. Robert Simpson (Churchill): Mr. Speaker, I have a question for the Minister of Justice in relation to his responsibilities in answering for the Canadian Wheat Board. I should like to ask, in relation to the recent announcement by the minister of a sale of grain to Russia, whether or not substantial quantities of this grain will be shipped through the port of Churchill this coming shipping season?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, as the hon. member knows from the announcement of the sale, the option was given to the buyer of taking a certain quantity of this grain through the port of Churchill. The

Wheat Board, of course, tries to accommodate buyers in every possible way, and the decision as to how much in the end will be taken through that port is largely up to the buyer.

Mr. Simpson: A supplementary question, Mr. Speaker. Since the Wheat Board has indicated from time to time that it is interested in moving substantial quantities of grain out of the port of Churchill, would the minister co-operate by trying to influence his colleague, the Minister of Transport, to carry out the very necessary dredging program at Churchill this summer. The lack of these facilities is probably one reason the Russians have not taken greater advantage of the port of Churchill.

Mr. Speaker: Order, please. That is not a supplementary question but, rather, a representation to the minister.

ALLEGED WITHDRAWAL OF OFFERS FOR SALE—REQUEST FOR STATEMENT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, may I ask the Minister of Justice, in his capacity as answering for the Wheat Board, whether the Wheat Board has temporarily withdrawn offers for the sale of grain to other nations. Could the minister give the House the reason for this situation?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the Wheat Board is, of course, continuing to make sales of grain for future delivery over certain periods. I understand that because sales already made have taxed the port of Vancouver to its limit, the Wheat Board may have ceased offering deliveries for a particular period of time to particular countries.

POSSIBLE USE OF INLAND CLEANING FACILITIES TO ALLEVIATE CONGESTION AT VANCOUVER

Hon. Robert L. Stanfield (Leader of the Opposition): A supplementary question, Mr. Speaker. In view of the answer given by the minister that this year new sales have not been accepted, or will not be accepted for particular periods of time through Vancouver, is the government giving consideration to cleaning new grain at the inland terminals or expanding the facilities at Vancouver, so that these additional sales are not lost to grain farmers?

Hon. Otto E. Lang (Minister of Justice): Yes, Mr. Speaker. As a result of the very thorough work of examining the handling and transportation system which we have done this last year and a half, and in the expectation that we will reach record sales levels, we have studied every facet of the transportation situation and will be in a position, at an early date, to begin some additional inland cleaning in a regular way. The Wheat Board is now fairly satisfied that these facilities can, in a particular way, add to the total capacity of the system for delivering grain. We are also in discussion with a number of parties about additional facilities at Vancouver.

Inquiries of the Ministry

ALLOCATION OF BOXCARS TO INCREASE STOCKS AT VANCOUVER

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, may I ask a supplementary question along the lines of the previous question. In view of the continuing low level of wheat stocks in store at west coast terminals, can the minister assure us that the volume of grain moved and the allocation of boxcars by the two railroads will be such as to correct this intolerable situation?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the railroads have assured us that they will make every effort to correct the grain situation in Vancouver as soon as it is physically possible to do so. I am satisfied that it is not the shortage of cars or shortage of motive power which is the limiting factor at the momcnt but, rather, the very unusual and severe snow slide conditions in the Rocky Mountains which have prevented these rail facilities from carrying adequate amounts of grain to Vancouver.

Mr. Fairweather: A supplementary question, Mr. Speaker.

Mr. Speaker: Order, please. A number of hon. members wish to ask supplementaries. I hope that they will be brief supplementaries. I will try to recognize as many hon. members as possible. I now recognize the hon. member for Fundy-Royal.

DOMESTIC DELIVERIES FOR FEED—EFFECT OF USE OF UNIT TRAINS FOR EXPORT MOVEMENT

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, although I know nothing about snow slides in British Columbia, I have a domestic concern and that is domestic deliveries of feed grain. Can we be assured that the government has explored ways of improving rail deliveries of feed grain within the country; also, will the loading of unit trains for export be carried out in such a manner as not to interfere with the regular and orderly deliveries of feed grain for Canadian users?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, when we had discussions about the exceptional movement of grain by unit train to points east for export, and we were given assurances by the railroads that the regular movement of grain could be taken care of.

TAKEOVER OF FEDERAL ELEVATORS BY POOLS—ALLOCATION OF BOXCARS ASSIGNED TO FEDERAL—REPLY TO UNITED GRAIN GROWERS

Mr. S. J. Korchinski (Mackenzie): A supplementary question, Mr. Speaker. In view of the proposed takeover of Federal grain facilities tomorrow by certain pools, and since the boxcar allocation which might have been assigned to Federal is also to be turned over to the pools, which allocation has not been earned by the pool but has been bought, would the minister consider allocating the normal Federal allocation to all other existing train elevators on a proportionate basis of the shipments made over the past year?

[Mr. Lang.]

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the allocation of boxcars is made according to the Bracken formula. This is a self-adjusting formula, and works over a period of time. There are special problems which arise when congestion results, despite the application of that formula. Some steps are under way to see if special measures can or should be taken to deal with that congestion problem.

Mr. Speaker: I will recognize the hon. member for Mackenzie for a second supplementary, but we must move on. The hon. member was not on my list of those who did not ask questions yesterday. However, I know the matter is important and he may ask his supplementary question.

Mr. Korchinski: Mr. Speaker, does the minister intend to reply to the United Grain Growers in regard to this matter?

Mr. Lang: Mr. Speaker, I have replied to the United Grain Growers on this subject.

• (1600)

LOSSES RESULTING FROM DEMURRAGE CHARGES ON BOATS AT VANCOUVER—REQUEST FOR REIMBURSEMENT

Mr. Jack Murta (Lisgar): I would like to direct a supplementary question to the minister responsible for the Canadian Wheat Board. In view of the fact that the demurrage charges on boats that are waiting in the harbour of Vancouver are running between $3,400 and $6,000 per day per boat, as well as the fact and the consequence that this money will have to be paid by the Canadian Wheat Board and, therefore, taken off the farmer's grain payment, does the minister or his government have any plans to reimburse the Canadian Wheat Board for moneys that will be lost through the recent transportation difficulties we have experienced?

Hon. Otto E. Lang (Minister of Justice): No, Mr. Speaker.

Mr. Speaker: Order, please. The Chair will return to the subject in a moment. The hon. member for Regina East and other hon. members are anxious to ask further supplementaries, but in fairness to other members the Chair will first recognize the hon. member for Lotbinière.

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[*Translation*]

UNEMPLOYMENT INSURANCE

DELAY IN PAYMENT OF BENEFITS—PROPOSED MEASURES

Mr. André Fortin (Lotbinière): Mr. Speaker, my question is directed to the right hon. Prime Minister.

I would like to know whether he has received any criticism, representations or requests relating to the problem raised by delayed unemployment insurance checks and whether he has ordered an investigation or the adoption of steps to expedite those checks.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have looked into this problem with the minister con-

cerned, his deputy minister and also with his parliamentary secretary.

DELAY IN PAYMENT OF BENEFITS—RESULTS OF STUDY BY MINISTER

Mr.André Fortin (Lotbinière): Mr. Speaker, in view of the answer of the Prime Minister about reviewing the matter, I would like to ask him what is the result of his inquiry.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I came to rather numerous conclusions all of which I cannot list here but, essentially, the unemployment insurance program under the new act provides benefits which on the average are 40 per cent higher than the previous ones. That program has been implemented after certain changes stemming from the new taxation system, from the fact that unemployment benefits became taxable and that part of the program was affected as of last July, another as of January 1, 1972, another as of January 2—

Mr. Speaker: Order, please. I regret to interrupt the right hon. gentleman but it seems to me that the statement he wishes to make in reply to the question of the hon. member is becoming somewhat drawn out. I do not blame him, but I think the question is of a very general nature.

Does the hon. member for Lotbinière wish to ask a supplementary?

Mr. Fortin: Yes, Mr. Speaker.

Mr. Speaker: I hope it will be brief because we have to proceed with our business as soon as possible.

Mr. Fortin: Mr. Speaker, the right hon. Prime Minister has explained the provisions of the new legislation as compared with the old one. I would like therefore to ask him what results he and his advisors have obtained regarding the problems that have arisen in respect of the new legislation?

Mr. Trudeau: That is what I was explaining, Mr. Speaker. This new legislation, which differs from the old one, had to take into account three different dates together with all the factors I mentioned earlier. Its administration has created some difficulties. The UIC had foreseen these difficulties, hired auxiliary staff and opened new centres, but there have actually been delays in the mailing of unemployment cheques, largely because the contributors themselves according to the ceiling—

Mr. Speaker: Order. I regret to interrupt the right hon. gentleman once again and I appreciate fully that it is difficult for him to reply briefly, but I suggest to the hon. member that his question is of such a general nature that it should be answered by a statement on motions.

There are only a few minutes left before the end of the question period and I hope to obtain the co-operation of the hon. member and the ministers replying to questions.

Mr. Fortin: I have a very specific supplementary question, Mr. Speaker

In view of the fact that in my riding of Lotbinière 450 very specific cases have been set before the Unemployment Insurance Commission offices in Sherbrooke and Montreal, and we have not had any results, I would like to again ask the Prime Minister what very specific concrete steps—

Mr. Speaker: Order, please. The hon. member is asking the same question for the second time. The Prime Minister has already attempted to answer it; in fact, we have spent almost five minutes on it. I think we should now move on to another subject.

[*English*]

I notice that a number of my colleagues are getting impatient. I really think they should be given an opportunity. I will first recognize the hon. member for Hillsborough.

Mr. Nielsen: A supplementary question.

Mr. Speaker: I apologize to the hon. member—

Mr. MacDonald (Egmont): I rise on a point of order, Mr. Speaker. A moment ago Your Honour referred to the fact that there was one minute remaining. However, I believe we started at 20 minutes to four—

Mr. Speaker: The hon. member did not hear me correctly.

Mr. Nielsen: Mr. Speaker—

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Yukon on a supplementary in a moment. I have recognized the hon. member for Hillsborough.

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EXTERNAL AFFAIRS

ALLEGED REPRESSION OF SOVIET JEWS WISHING TO MOVE TO ISRAEL—GOVERNMENT ACTION

Mr. Heath Macquarrie (Hillsborough): My question is for the Secretary of State for External Affairs. It concerns recurring reports of repression and restrictions upon Soviet Jews seeking to move to Israel and notably an article by Rabbi Stewart Rosenberg of Toronto. Can the minister advise if these reports have been investigated and have any representations or inquiries been made to the government of the Soviet Union?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, we have been following the situation in the Soviet Union as closely as we can. Our ambassador keeps us informed on developments which he is able to ascertain from his contacts in Moscow. I believe the hon. member will agree there has been a very notable increase in the movement of Jews from the Soviet Union to Israel. I cannot, of course, guarantee that there will not continue to be repression.

Mr. Speaker: Order, please. I believe a moment ago I said I would recognize the hon. member for Yukon on a supplementary.

Inquiries of the Ministry

UNEMPLOYMENT INSURANCE

DELAY IN PAYMENT OF BENEFITS—REQUEST FOR OFFICE IN WHITEHORSE

Mr. Erik Nielsen (Yukon): My question is for the Minister of Labour. It is supplementary to the questions asked by the hon. member for Lotbinière. In view of the hardships that are being suffered as a result of large numbers of claims for Unemployment Insurance benefits in the Yukon, and in view of the crushing burdens being placed on welfare agencies because of delays, will the minister consider the re-establishment of an operative and functioning Unemployment Insurance Commission office in Whitehorse in this separate jurisdiction?

Hon. Martin P. O'Connell (Minister of Labour): I will be glad to look into that question, Mr. Speaker.

* * *

DRUGS

REQUEST THAT FURTHER REPORTS OF LE DAIN COMMISSION BE WITHHELD PENDING INCLUSION OF CAUTIONARY FOREWORD

Mr. H. E. Stafford (Elgin): Mr. Speaker, I am one of those who tried yesterday and on previous days to direct a question to the Minister of National Health and Welfare. In his absence today, I intended to direct my question to the Parliamentary Secretary to the Minister of National Health and Welfare. In his absence today, I will direct it to the Acting Minister of National Health and Welfare, the Secretary of State. In view of considerable evidence that the first two documents of the Le Dain Commission on Drugs, namely the "Interim Report" and "Treatment" contain misleading and inaccurate statements which, in the view of important medical people could be dangerous to health, is the government willing to withhold the publication and distribution of the next report on cannibis until it has been carefully scrutinized and a proper cautionary foreword prepared by a qualified team of medical experts, nominated by an independent body such as the Canadian Medical Association, for inclusion in the report?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I am taking note of this question and will pass it on to the minister.

* * *

[*English*]

GRAIN

INTERNATIONAL WHEAT AGREEMENT—INQUIRY AS TO GOVERNMENT ACTION ON RE-NEGOTIATION

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): My question is for the Minister of Justice in his capacity as being responsible for the Canadian Wheat Board. In light of numerous and strong representations being made by spokesmen for Canadian and American farm organizations recently, calling on both governments to move toward re-negotiating the International Wheat Agreement with meaningful price levels, what action, if any, is our government taking in this regard?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, we are following up this matter in discussions with the interested governments. We will certainly welcome any early opportunity to move toward such orderly pricing levels.

* * *

NATIONAL DEFENCE

OMISSION OF THE WORD "ROYAL" FROM ADVERTISING OF MILITARY COLLEGES

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): My question is for the Prime Minister. It arises from an advertisement of national scope in connection with advertising Royal Military Colleges as Military Colleges. In view of the keen interest of the general public in our traditions, and in view of the fact several members of this House are graduates of Royal Military Colleges, I ask the government why the government has dropped the word "Royal" in their advertising of the Royal Military College at Kingston, Royal Roads at Victoria and the Collège Militaire at St. Jean, Quebec. This is obvious from the current nation-wide advertising I have seen.

Mr. Speaker: Order, please. The hon. member has asked a question. Perhaps he might allow the Prime Minister to reply.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have not seen the advertisement. I am not sure if it is one that has been placed by the colleges or by the government. If this was done by the government, it was presumably done by the Minister of National Defence or his department. I will refer the question to him.

* * *

• (1610)

CRIMINAL CODE

AMENDMENT RESPECTING OFF-TRACK BETTING—GOVERNMENT ACTION

Mr. John Gilbert (Broadview): Mr. Speaker, my question is directed to the Minister of Justice. In view of the indication in the speech from the throne delivered in the Ontario legislature last week that the government of Ontario will legalize off-track betting shops when the necessary amendments are made to the Criminal Code, is it the intention of the Minister of Justice to introduce those necessary amendments?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, we are giving serious consideration to the timing of some amendments in this regard, but I intend to have some further discussions with the provincial authorities before bringing a proposal before the House.

CANADIAN BROADCASTING CORPORATION

DISPUTE WITH NABET—REQUEST FOR STATEMENT ON NEGOTIATIONS

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is directed to the Secretary of State. I wonder whether the minister would bring us up-to-date on the present state of negotiations between the CBC management and NABET in their continuing, smouldering public service dispute.

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, as I have just returned from a tour of western Canada, I have not yet met with the CBC management and cannot give the hon. member an up-to-date report.

[*English*]

Mr. Nowlan: A supplementary question, Mr. Speaker. I appreciate that the minister was away yesterday, but hopefully may I ask if he would be in attendance tomorrow, even though he does not appear on the roster, to make a statement on the state of the negotiations in view of problems relating to showing National Hockey League games and other programs at the weekend?

[*Translation*]

Mr. Pelletier: Mr. Speaker, I cannot make any promises in this connection, but I will try.

[*English*]

Mr. Speaker: The hon. member for St. Boniface.

Some hon. Members: Hear, hear!

Mr. Stanfield: Don't be too rough, now.

An hon. Member: Stand up straight, don't crouch.

Mr. Joseph-Philippe Guay (St. Boniface): If for no other reason, Mr. Speaker, I should like, first of all, to say I appreciate the fact that you have recognized me today.

Some hon. Members: Hear, hear.

Mr. Guay (St. Boniface): I also appreciate the comments made by the Leader of the Opposition.

Some hon. Members: Question.

Mr. Bell: Ten o'clock.

Mr. Guay (St. Boniface): May I thank you once again for recognizing me, Mr. Speaker.

* * *

TRADE

GOVERNMENT ACTION TO CORRECT IMBALANCE WITH TAIWAN

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Minister of Industry Trade and Commerce; since he has been ignored I think I should put a question to him. In view of the fact that Taiwan exported $81 million worth of goods to Canada last year

while our exports to Taiwan dropped from $18 million to $14 million, what steps is the minister taking at the present time to correct this growing imbalance in trade between Taiwan and Canada?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, the least I can say on the subject is that it is difficult for me to make a big case of this. In a number of occasions in our trade with foreign countries we are on the advantageous side of this equation.

* * *

YOUTH

OPPORTUNITIES FOR YOUTH—REQUEST FOR OTHER PROGRAMS TO ALLEVIATE UNEMPLOYMENT

Mr. David MacDonald (Egmont): Mr. Speaker, I have a question for the Secretary of State. In view of the leak earlier this week concerning the Cohen report to the effect that there was a major failure to solve student unemployment problems on the part of the government's summer programs last year, is the Secretary of State now exploring with the provinces or with business and other authorities, further measures that might be taken to alleviate very serious student unemployment this coming summer?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, we are exploring all possible means to reduce unemployment.

* * *

[*English*]

GRAIN

DIVERSION OF SHIPMENTS TO PACIFIC GREAT EASTERN—POSSIBLE CONSTRUCTION OF LINK WITH CNR AND CPR TO AVOID SNOW SLIDES

Mr. John Burton (Regina East): Mr. Speaker, I wish to direct a question to the minister in charge of the Canadian Wheat Board. In view of the very low level of unloadings of grain in Vancouver at various times recently due to blockages of the two major railways' main lines, has the minister or the Canadian Wheat Board pressed the railways, particularly the CNR, to divert grain shipments to the Pacific Great Eastern line, which I understand is capable of handling up to 400 cars a day?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I understand from discussions about this matter that there are some difficulties regarding rates and other arrangements that might be made by the CNR and this particular railroad, which is a provincial railroad. It is largely the CNR which can take advantage of this situation, rather than the CPR, without building more expensive trackage. It is the CPR that has had the bulk of the snow slide problems.

Mr. Burton: A supplementary question, Mr. Speaker. Is the minister or the Canadian Wheat Board pressing for some further investigations and studies into both the

feasibility and the desirability of building a link between the two major railways' main lines west of Kamloops or Lillooet, or some other suitable location, and the Great Eastern railway line?

Mr. Lang: Mr. Speaker, I can only say, speaking broadly, that we are concerned about ensuring that there are adequate rail facilities between prairie points and the coast for all our products, and that this is a matter that is going to concern us very much in the time ahead.

* * *

FISHERIES

ALLEGED INCIDENT WITH FOREIGN VESSEL—REQUEST FOR INCREASED NAVAL AND AIR SURVEILLANCE

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I have a question for the Secretary of State for External Affairs. Has the government been able to determine which foreign national was responsible for the incident of intimidation that occurred off the east coast of Canada earlier this week, and have any charges been laid or statements been made by the minister's department? More importantly, has the government decided to step up naval and air surveillance along our coast line in order to give our ships more protection?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, our fisheries service officers are investigating the incident and will be making a report shortly.

Mr. Lundrigan: A supplementary question, Mr. Speaker. I hope that the minister will answer my second question, which is the more important, regarding giving our own Canadian ships more protection from this kind of happening or event by stepping up naval presence off our coast, and especially air surveillance.

Mr. Davis: Mr. Speaker, Canada has not been noted for using gunboat diplomacy far out at sea.

* * *

GRAIN

ACTION AGAINST DEFAULTERS ON REPAYMENT OF CASH ADVANCES—REQUEST THAT PENALTIES BE DROPPED

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the minister in charge of the Wheat Board. In view of the action of certain grain producers who took cash advances in the 1969-70 and 1970-71 crop years and who are now considered in default, though they have scrupulously filled their quotas as space became available, does the minister intend to have charges and any penalties dropped in cases where the producer has fulfilled his contract?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, it is my understanding from discussions with the commissioners of the Canadian Wheat Board that they do not propose to exact any penalties from anyone who in fact has been delivering grain on quotas as they opened. They will do so only in cases where there has been a clear default in the delivery of grain.

* * *

[*Translation*]

EXTERNAL AFFAIRS

STABILITY OF INTERNATIONAL MONETARY FUND—CANADIAN ROLE

Mr. Henry Latulippe (Compton): Mr. Speaker, I have a question for the Minister of External Affairs.

Would the minister indicate whether Canada has a part to play in the European Economic Community in connection with the stability of the International Monetary Fund? If so, what is Canada's attitude to the policy of the European Economic Community?

[*English*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, there has been very close liaison between the Minister of Finance here and the financial authorities in the European Common Market. We are both striving for stability, security and prosperity.

Mr. Speaker: We have just about reached the end of the question period but we might have one or two more questions.

* * *

THE CANADIAN ECONOMY

PULP AND PAPER—GOVERNMENT ACTION IN GIVING AID

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. Some time ago the minister advised the House he was having ongoing discussions with the pulp and paper associations. I wonder whether he is now prepared to give the House a report on what conclusions they came to in regard to the problems facing the industry and the help that the government will give.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, some officers of this industrial group are waiting for me and other ministers at this moment in another room of this building.

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FINANCE

REQUEST THAT CHARTERED BANKS LOWER INTEREST RATES IN VIEW OF INCREASED PROFITS

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I should like to direct a question to the Minister of Finance. In view of the increase in net profit earned by the chartered banks of Canada during the previous two years, and in view of the most recent increase of 41 per cent in operating profits for the first quarter of the chartered banks' fiscal year, can the Minister of Finance say whether he and the Governor of the Bank of Canada are

making any investigation into these profits, and are they considering asking the chartered banks to lower interest rates on consumer loans as well as to lower their bank charges?

• (1620)

Hon. John N. Turner (Minister of Finance): Interest rates have been lower for some time, but I will take the submission of the hon. member into consideration.

Mr. Speaker: I am not sure whether the Postmaster General is rising on a point of order, but we have gone a little beyond the question period. I have attempted to recognize several of the hon. members who have been patiently seeking the floor. Again, I recognize that some of my colleagues did not have that opportunity today and I will try to give them preference tomorrow.

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

Mr. Côté (Longueuil): Yes, Mr. Speaker. Yesterday, the hon. member for Brandon-Souris implied there was a contradiction between a statement I had made in the House on Monday and statements contained in a report prepared by the consultant firm of Samson, Belair, Riddell, Stead, Inc. which was commissioned by the Post Office in July, 1969, and tabled in the House on February 18, 1970.

The main concern of that consultant firm's study, to the work on which Mr. Moodie was attached as representative of the Post Office, was to study the feasibility, or the necessity, of some form of postal coding—

Mr. Speaker: That is not a point of order. The hon. minister is contesting what he believes to be the interpretation of what was said yesterday by the hon. member for Brandon-Souris. If we do this, we shall spend most of our time arguing as to what has been said by members on one side of the House or the other. I hope the minister will not pursue the matter further.

An hon. Member: Make a statement on motions.

Mr. Speaker: If the minister is answering a question, that is a different matter. And if he wishes to make a statement on motions, again, he has a right to do this. But the statement he is making now to correct what he considers to be a wrong interpretation of what he said should not be made by way of a point of order.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Speaker: Is the hon. member for Winnipeg North Centre rising on a point of order?

Mr. Knowles (Winnipeg North Centre): Yes, Mr. Speaker. Today being Thursday, I wonder whether the President of the Privy Council is in a position to tell us what the business will be next week.

CNR and Air Canada

Mr. MacEachen: Today we are continuing with the CNR bill. Tomorrow will be an Opposition Day. Next week, we shall call three Opposition Days, the first on Monday. I had in mind Wednesday and Friday for the two succeeding days next week, but this can be discussed or considered later.

The following bills will be on the agenda: The CNR bill, the amendments to the BNA Act, the amendments to the Explosives Act, and the Criminal Code, hijacking and piracy. There is also the budget bill, which I hope will be given first reading in time to be dealt with in the two days given to us next week.

GOVERNMENT ORDERS

CANADIAN NATIONAL RAILWAYS AND AIR CANADA

PROVISION FOR CAPITAL EXPENDITURES AND GUARANTEEING OF SECURITIES AND DEBENTURES

The House resumed, from Wednesday, March 8, consideration of the motion of Mr. Turner (Ottawa-Carleton) that Bill C-4, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways system and Air Canada for the period from January 1, 1971 to June 30, 1972, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company, and certain debentures to be issued by Air Canada, be read the second time and referred to the Standing Committee on Transport and Communications.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, when this matter was last before the House I was talking about the need to clear up the long-term debt which has plagued the CNR for years. It is a debt which has made the ordinary financing of the Canadian National impossible, and it has plagued this House, too, inasmuch as it has been necessary every year to bring in a bill providing additional moneys to the railway company. If we had disposed of this matter when the CN was first taken over as a national railway, the company would have been able to operate at a profit which would have allowed for normal expansion.

For many years to come, there will be a real need in this country for rail passenger transportation. In my opinion, parliament was providing for this when it passed the Transportation Act. It ought not to be necessary for the railway to undertake a ludicrous program designed to put passenger service in the worst possible light so that it could show a paper deficit on that service for the purpose of getting additional grants from Parliament. Under the present system, the more passengers the railway carry, the more money they lose. On the basis of the system of accounting presently used, there is no possibility of profitably increasing the number of people who use the railways. The only result is the creation of confusion. The more passengers the railway carries, the worse the situation becomes. Obviously the railways have not been buying passenger cars, dining cars or cars with sleeping accommodation. They sure as hell have not been provid-

ing facilities for passengers in any segment of the service, including waiting rooms and facilities normally considered necessary to meet the needs of the travelling public.

There is obviously something wrong with the present accounting system, and this should be looked at closely because there are areas in Canada where railways are still the best system of moving people around. In many parts of Canada it is almost impossible to fly at certain periods because of bad weather conditions. This is true of the maritimes. It is true of northern Ontario. It has been true, this year, of British Columbia. Yet, the alternative travel facilities provided are not sufficient to meet the demand. This is the case in northern Ontario. One of the basic requirements of regional development is a suitable transportation system to meet all the needs of the community. We do not enjoy the benefits of such a system. I suggest that when the CNR appears before the Transport Commission with an application to abandon the line between Toronto and North Bay on the grounds that it is not profitable to carry passengers, the company should be obliged to offer the route, especially the portions of the line which have been twinned, to the Ontario Northland Railway so as to give the people of northern Ontario an opportunity to provide their own facilities.

Northern Ontario does not occupy the same weather zone as does Toronto. It very often happens that when weather is fine in Northern Ontario, poor visibility or other adverse conditions make it impossible for planes to operate from Toronto. On the other hand, the weather in Toronto may be clear at times when the Ontario northland is encountering severe storms. Air travel in the spring and fall months, particularly, is subject to many delays and interruptions. Often it is not possible to fly for as many as 11 or 12 days a month. If we had better transport facilities we would be able to get on a train at night, enjoy a good night's sleep and arrive early the next morning in Toronto, since trains are usually scheduled to arrive in Toronto early. If you leave in the evening, you will be back in your place of business in northern Ontario the next morning after having enjoyed two nights on a train with proper facilities. Those facilities do not exist now because of the attitude of the Canadian National toward the people of northern Ontario. Since that portion of the CNR line between Toronto and North Bay has been twinned, they could use one line interfering with the other. They could sell the one which runs around Lake Simcoe.

• (1630)

We are told that the government of Ontario would be glad to buy it if they had the opportunity. Instead of having a facility into Parry Sound, we would have a connection into Toronto and the rest of the area. If the Canadian National does not want to operate the line, they should put a price on it and we will operate it for the people of Ontario. I am sure this line would pay because the Ontario Northland Railway has always paid. I am sure that if such projects were undertaken in other areas of Canada where rail transportation is difficult and where accommodation is lousy the people of the area would respond.

Great mistakes have been made in respect of the Canadian National and the Canadian Pacific Railways. They have cost the Canadian people more money than any other mistakes we have made, including two world wars. These mistakes have been made because of incompetence, because of the disregard of the people using the facility and because of a desire to add vice-president after vice-president. If anyone wants to know why they do this, all he would have to do is read the book "The Peter Principle". A man is moved to a level of incompetence and when it is found that he is not any good he is promoted to vice-president in charge of something or nothing in a bureaucracy of incompetence. This has been done in the railways.

It is almost impossible for the Minister of Transport (Mr. Jamieson) to consider an ideal location for airports. We find a new airport is to be built just north of Toronto. It will be so close to Toronto that if the past growth of the city of Toronto is repeated in the next 25 years, it will be as close to the downtown area as Malton is. This airport is to be placed in an area where farming is possible. It is true that land values in the area are so unrelated to production value that it is difficult to farm there. However, the land is capable of supporting agricultural production. There is other land nearby that is not capable of supporting agricultural production I am told that three miles north of the chosen site there is a sandy area in which the airport could be built with a bulldozer. There are no people living there because it is barren waste land which continues for some miles northward.

Everybody knows that if you are thinking of jumbo jets 25 years in the future, you are thinking about intercontinental transportation. This type of traffic should be kept as far as possible from any centre of population. I suggest that in Canada such an airport should be located north of the city of Kingston, in an area where agricultural production is almost impossible now and will remain so in the foreseeable future. I wonder why we do not consider these aspects. We have the ability in Canada to develop rapid ground transportation. There is a speed limit of 60 miles an hour on our highways, and yet we build automobiles capable of travelling at speeds of 100 miles an hour or more. We have not been able to design a highway which can match the capability of these cars and therefore have kept the speed limit down to 60 miles an hour. If one had a 1930 automobile which was in good shape, one could probably reach the speed limit on our highways.

We have not developed efficient land transportation in Canada mainly because there has been no inclination on the part of governments to have better service. We have not really faced the problems of environmental pollution created by airports in downtown areas. Twenty-five years ago a United States train travelling through Canada could travel at an average speed of 90 miles an hour. We have never duplicated that and we are not likely to do so because we play around with transportation as we did before. The New York Central had a train, the Silver Bullet, which travelled through Canada at an average speed of 90 miles an hour. We cannot duplicate this with the tracks we have because one man is supposed to look after a mile of track rather than a reasonable amount.

Exactly the same situation exists in respect of Air Canada. Air Canada has been spending large sums of money each year in the form of deposits on super-jumbo

jets. Air Canada will not be able to compete in the international traffic field so long as it is faced with competition from groups who charter a full aircraft. Under these conditions the company is always sure the aircraft will be fully loaded. I am not suggesting that Air Canada should not fly on these international routes. I believe it is a matter of prestige for all Canadians. I think we must be in that field. I would be surprised if I went to the Airport in London and found that the airline of Bechuanaland was flying to Canada, and that Canada was unable to provide such a facility for the Canadian public. We do not know what we are planning to do with the jumbo-jets and yet we are tying up money for the purchase of such planes. We are not even sure that they will fly, or if so how they are to be used.

In many parts of Canada this year we face the possibility of having no aircraft which will meet the needs of the feeder lines which really are the basis of our trans-Canada airline service. If we are to operate a trans-Canada airline service, either by Air Canada or by giving the service to the Ontario government which seems to want to get into that particular field, we will still have to provide feeder lines to connect with the trans-Canada service in order to ensure that passengers travelling from the north and south of the major airlines will be able to make the right connection.

I looked up an aeronautical magazine, *Aviation Week & Space Technology*, put out by McGraw-Hill. It is the publication for March 1970. It indicates that there are number of Viscount planes still around. This is the type of aircraft which flies into the airports in my area of northern Ontario and which flies into northern Quebec, northern Saskatchewan, northern Alberta and northern British Columbia. The Viscount was made by the British Aircraft Corporation. It is listed as an 800 or an 801. It was made as a transport plane to carry 73 passengers. Then, there is the Vanguard which carries 139 passengers. These same people also make other planes. They make a BAC 111 which is used in flights to a number of destinations in Canada and carries 78, 84 or 109 passengers. The Branif airline uses model 203, and Mohawk uses model 204 of this aircraft. American airlines use model 401. There are others, of course. The Americans are making some, and the Japanese are making a plane which will carry 60 passengers. Their JS-11 and the JS 11a200 both carry 60 passengers. The Americans are building a number of them. Douglas is building the SST prototype which carries 48 to 58 passengers, and another version carries 64 to 92 passengers, while another one will carry 60 to 95 passengers. The Friendship series of Fairchild will carry 40 to 48 passengers in two or three versions.

• (1640)

I grant you that there are not many but these are planes which travel in the range of 280 to 350 miles an hour. Those are fairly modern, up to date planes. Certainly, everybody will agree that the Viscount has been a satisfactory type of plane and the Vanguard has not been bad either. Air Canada has made some very good choices. But I suggest that unless this government makes up its mind soon—and it certainly has not made up its mind on its feeder line policy—we will have such a jumble of aircraft flying over this country in all directions, without providing the necessary services and without making the proper connections for the travelling public, that we will find ourselves in exactly the same position as we have with our passenger service on the railways. It is necessary for us to unify.

Let us give Air Canada all the credit it deserves, in spite of the fact that it serves lousy meals, and without a doubt has the most discourteous passenger desk personnel I have met as well as the poorest informed and poorest trained personnel that I have met, particularly the Ottawa division. However, it certainly has an enviable record in the air, an enviable service record on the ground in terms of maintenance and ground support staff; it has an enviable record in the hours it has flown without accident, and without a doubt it is the best of the North American services that I have used in terms of passenger reservations. If Air Canada were to lend their passenger reservation facilities to the Unemployment Insurance Commission, the latter would probably save two or three weeks on every inquiry because the appropriate number would be filed on the applications. It is an ideal system and Air Canada has every right to be proud of it.

I suggest that in Canada we want a unified service for all areas. In northern Ontario, we have been very satisfied with the service that we receive. I am sure everyone will agree, however, that it could be expanded. I am also sure that unless this government faces up to the need for the unification of our service by ordering, not asking, Air Canada to buy the type of plane that will meet the needs on its feeder lines, we will find ourselves in a chaotic situation in all the outlying parts of Canada. It will be impossible to relate those outlying feeder areas to the mainstream of transportation both across Canada and internationally.

The Acting Speaker (Mr. Laniel): Order, please. I regret to interrupt the hon. member but the time allotted to him has expired.

[*Translation*]

Mr. Roland Godin (Portneuf): Mr. Speaker, this week, more specifically on March 6, as it does every year the government presented guidelines to the Canadian National, a Crown company.

As the member for a riding that company and Air Canada both serve, I feel that it is my duty to convey my impressions to the minister who is piloting Bill C-4 cited under the short title of Canadian National Railways Financing and Guarantee Act, 1971.

Mr. Speaker, last year the government also asked us to vote certain sums of money. The first request was made on November 30, and then the bill was shelved. It was only on February 8 that the government brought up the subject again through Bill C-186, because it seems that the CN is in the red every year at about the same time.

Whether a liberal government or a progressive conservative government is in power, whether or not stations are closed down, lines abandoned, workers laid off, experts mobilized to analyze the situation, and other experts hired to implement the recommendations of other experts, whether or not we live through years of depression or years of abundance, whether the CN witnesses a decrease or an increase in the volume of transport, it always ends

up in the red, and there is seldom any change in the amount of money requested.

In fact, this year, Bill C-4 asks the authorization to provide $219 million. This we read on page 2 of the bill and I quote:

Estimated requirements in the calendar year 1971:

Last year, Bill C-186 asked for $229 million, reflecting a small $10 million difference.

We recall that, surprisingly, in 1968 the CN was granted government authorization to cross out a debt of $371 million—the amount it owed to its employees' pension fund.

Mr. Speaker, when debts of $371 million disappear thus, the amount becomes net profits. So I would like to know from the CN, through the minister who is piloting this bill today, how this amount of $371 million will be included in the budget.

I would like to know whether the Canadian National intends to add those $371 million to its assets at the rate of $70 million during a five-year period or to show $371 million as profit on a single balance sheet.

Speaking of CN balance sheets, an important item in my opinion is that of the debt charges appearing in the annual report of the company under "Total interests on debt".

I imagine, Mr. Speaker, that the officials of the company do their utmost to maintain the operations at an economic level. If such is the case, these officials could prove us that they are responsible by looking for less costly procedures than those they are using at the present time.

If we compare the balance sheets of the last years, we find that in 1952, the debt charges amounted to $25,415,000 in comparison with $75 million in 1970.

Mr. Speaker, the CN debt tripled in less than twenty years. I think this is absolutely abnormal. In addition to that, while we are on the subject of credits, there is one point I would like to make and it has to do with the maintenance of the tracks.

Keeping in mind the number of derailments that took place on CN tracks, we must ask ourselves a question to which the answer is readily found. Since it is a Crown company, we can assume that some incompetent people hold important positions. I think unexperienced employees are the cause of several accidents that happened recently. They are employees who obtained their positions without knowing exactly what a railroad is all about, employees who have no practical knowledge and think that railroad lines need no maintenance.

It is true, Mr. Speaker, that construction methods have changed. A railroad line can be rapidly built because of heavy equipment that can do a lot of work in little time. Even if it is easy to build railroad lines, I think we must keep in mind the fact that they still need to be maintained.

Twenty years ago, a team of five men maintained ten miles of rail. Today, the same team of five must maintain 50 miles of rail, which is physically impossible. The number of accidents since the beginning of the year, in a radius of 125 miles around Quebec City alone, is proof that the security limit has been exceeded.

[Mr. Godin.]

For the information of the minister in charge, I will make a summary of those accidents. I think all hon. members read it in the newspapers. The first derailment since the beginning of the year happened in Val Jalbert, causing inconvenience to passengers and leaving two locomotives overturned. Recently, Rapido No. 20 left the tracks with 125 passengers on board, which left one dead and one seriously injured who died a few hours later from a heart attack. On the same day, at Edward Lake, 22 cars left the track. At about the same time, in Donnacona, while the trains were running in front of the snowplow, the train became stuck and the Quebec-Abitibi passenger train was cancelled.

Near Quebec City, around Ste-Foy, there was another derailment. In Grand'Mère, 17 cars left the tracks. In Eatonville, in the county of Kamouraska, 51 cars left the tracks and damages were estimated at $6 million. More recently, in Fitzpatrick, there was another derailment in a tunnel and traffic was delayed for twelve hours.

Mr. Speaker, if I said the public is beginning to have second thoughts about the security of CN tracks, I think the people would say I am right. If we discussed with CN officials all the serious accidents that have happened since the beginning of the year, I am convinced that there would certainly be some of them who would say it is due to the rough climate. Mr. Speaker, if CN trains were the only ones running in the country, I think we could really believe that the climate would be the cause of those accidents.

• (1650)

By the way, another company is in the same field and that is the Canadian Pacific whose trains operate also in the same area under the same climate, except that the Canadian Pacific is privately-owned and that its authorities are concerned with their responsibilities.

To bluff the public, they make believe, through some minor layoffs, that management is sound, since they thus achieve savings of a few thousands of dollars. But at the same time, security has been ignored, which has caused damages of several million dollars. This is not, in my mind, what we can call sound management.

Yesterday again, the CNR management have met at their Quebec City office with representatives of the municipalities of the county of Portneuf. The purpose of this meeting was to try to bring the mayors of the county to accept the closing down of some stations in the district concerned. If some stations are closed, station masters and wireless operators will automatically lose their jobs.

It is rather strange, Mr. Speaker, that, for the past ten days, because of bad weather conditions, those station masters, who are to be dismissed shortly, have worked as much as 18 hours a day, and those are the people that the CN is on the point of dismissing.

If anyone here understands this, I would like to meet him. I for one cannot understand how people who have to work 18 hours a day can be dismissed. Unfortunately, Mr. Speaker, this company has become the business of a few people only.

Railway workers, I repeat, have been dismissed; station masters are being dismissed; the number of clients contin-

ues to decrease; revenues remain low and competent employees, tired of being directed stupidly, resign almost every week. Meanwhile, employees of some categories are on the increase. In some administrative service, there are more senior officials than supervisors and more supervisors than workers.

In my view, railways have forgotten their mission and the recommendations of the MacPherson Commission, as applied until now, have been a failure.

In order to ensure, first of all, more security, sections should be brought back to a maximum of 20 miles. That would be a starting point. Considering that there are more supervisors than workers, any private company in similar circumstances would be unable to operate within its budget.

Since the CN is reducing its income because it has too many official or semi-official technocrats, I wonder if we should not copy Swedes and Norwegians who a few years ago cleaned up the administration of their railways.

The government should also take into consideration the case of CN retired employees. As the industrial and technological development is not solving the unemployment problem, new means should be devised. Premature retirement by those wishing and requesting it would improve the living conditions of the young people and would wage war against unemployment.

Where there exist well established retirement plans, like in the CN, serious thought should be given to early retirement so as to provide as much employment as possible for young people entering the labour market. In turn, this would encourage young people to organize their lives in a decent way in a rich country like ours.

Mr. Speaker, we know that there have been many consultations with insurance companies as to the methods for developing pension plans for employees.

Since we know insurance companies, while keeping within the law, can achieve incomes of several million dollars a year, it is clear that the consultants on loan from these companies are not the ones to tell us what they should do to pay out more.

So, as the Canadian National pension fund was never set up to be a lucrative organization, it is evident that an increase in pension benefits of that company has long been imperative. Since 1952, Canadian National employees have partially accepted payments of 2½ or 3 per cent interest on their contributions in order to consolidate their reserve capital, and in return they received increased pension benefits.

At the end of 1968, the reserve capital of the Canadian National pension fund was almost $1.5 billion.

* * *

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Laniel): Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Central Nova (Mr. MacKay)—Administration of justice—Release of Yves Geoffroy from St-Vincent-de-Paul penitentiary—Inquiry as to advice from security planning and research group; the hon. member for Moose Jaw (Mr. Skoberg)—Transport—Suggested delay in closing of certain Saskatchewan stations; the hon. member for Abitibi (Mr. Laprise)—Housing—Pointe-Gatineau—La Ferme le Baron housing development—Request for compensation to owners.

It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, private bills, notices of motions (papers) and public bills. As there are no private bills on the order paper, the House will proceed directly to notices of motions (papers).

• (1700)

PRIVATE MEMBERS' MOTIONS FOR PAPERS

NATIONAL PARKS

SASKATCHEWAN—REQUEST FOR DESCRIPTION OF AREA NEAR VAL MARIE-KILLDEER TO BE INCLUDED IN PROPOSED PARK

Mr. John Burton (Regina East) moved:

That an order of the House do issue for a copy of a description of the area which the federal government would like to see incorporated in the proposed second national park in Saskatchewan to be situated in the Val Marie-Killdeer area.

He said: Mr. Speaker, for some years there has been discussion about the possibility of developing a grassland park in the southern portion of Saskatchewan which would take advantage of a few of the remaining areas of native grasses. This would make available to the people of Canada in perpetuity an area of grassland and open range country which still exists in its native form and natural state. This matter has aroused considerable interest in the province of Saskatchewan, in the southern area of the province and many of the communities located nearby. A number of organizations and societies have expressed interest in it. Some problems have been encountered in the negotiations between the government of Saskatchewan and the government of Canada, and a few remain to be resolved.

It is not my purpose today to go into the problems, the advantages or possible disadvantages of this park. What I am asking today, as a member of parliament is to have access to information to which I submit I have a right. That is the issue this afternoon. As I understand the situation, a good part of the proposed area is located in the constituency of Assiniboia. At the time I originally made inquiries that constituency was not represented but, of course, today it is very ably represented in this House.

Mr. Speaker, on May 3, 1971, I requested some papers in the following terms:

That an humble address be presented to His Excellency praying that he will cause to be laid before this House a copy of the following documents with respect to the proposed second national park in Saskatchewan to be situated in the Val Marie-Killdeer

area (a) all correspondence between the government of Canada and the government of Saskatchewan on this park since January 1, 1964 (b) all correspondence between the government of Canada and other interested persons and organizations since January 1, 1964, concerning the proposed park (c) an outline of plans for development of this park.

I obtained that information in October or November, 1971, when it was tabled in this House. The correspondence and documents make a volume two inches thick. Later, I pointed out to the then parliamentary secretary that some of the information requested and ordered by the House was not there, namely, an outline of plans for the development of this park. That information is still outstanding.

Looking through the documents, I was interested in one in particular so, on October 27, 1971, I moved:

That an order of the House do issue for a copy of a report prepared for the Department of Indian Affairs and Northern Development by Kaplan Consulting Associates Limited, entitled "Economic Impact Study of Alternative National Park Proposals at Val Marie, Saskatchewan.

That was tabled on December 16, 1971 approximately and is a fairly substantial document as well. A note added to the text of this document reads:

This report was prepared by Kaplan Consulting Associates Limited of Montreal in 1968 to provide further background data regarding the economic impact of establishing a national park near Val Marie, Saskatchewan. The report does not represent the current situation with respect to boundary alternatives or discussions with the present government of Saskatchewan. Further, the economic circumstances in the area may have changed since the report was commissioned.

Now, the fact that boundary alternatives are mentioned confirms that one or more set of boundaries for the park are being considered. What I have attempted to obtain during the last session and by this motion is:

—a copy of a description of the area which the federal government would like to see incorporated in the proposed second national park in Saskatchewan to be situated in the Val Marie-Killdeer area.

I deliberately worded the motion in this way, recognizing that the matter is still under negotiation and that any proposals the federal government may have at the present time are not necessarily final. Of course, the Saskatchewan government may have views on this matter as well. However, the note appended to the motion for papers tabled last November indicates that there is at least one boundary alternative and probably another indicated at the present time. I submit that the government should make available all the information it has on this subject at the present time because of the widespread interest in the matter. There is no reason for the information not being available. There is considerable interest and discussion amongst the local residents in the area between Val Marie and Killdeer, Saskatchewan. They have a pretty good idea of what the government has in mind, though some of the rumours are not too well founded I am sure but others are probably based on good information.

What the government is trying to do has a good deal of merit if certain problems can be worked out but we, as Members of Parliament, do not have access to this information. We do not know what the federal government is discussing with the government of Saskatchewan and with some of the local residents. This illustrates this government's penchant for secrecy. If pressed on the point, I believe that the minister and the parliamentary secretary would say that there is no reason for this information not being made available in a general way. Probably they were told by some of the bureaucrats in their department that it should not be made available. Some of the bureaucrats probably feel that they would have a little less control or power if the information were released. I submit that this has to come to an end, Mr. Speaker. It is about time that the people of Canada and their representatives had access to this type of information.

As I indicated earlier, I deliberately worded my motion in a way that would take into account the fact that there has been no final decision on this matter. It provides scope for the government to qualify any information tabled in the House on the basis that it is a tentative proposal, that there are several proposals under consideration or that this proposal could be amended in the future. I would have no objection to such qualifications. That is the case with the motion for papers that I mentioned earlier, where a qualifying paragraph was necessary at the beginning of the document which was tabled. If there is any particular problem about the wording of the motion, I would be happy to amend it to give consideration to any areas of sensitivity. Basically, I say again that I think this type of information should be made available to members of the House of Commons. I urge the government to make sure that members of the House are not denied rightful access to information respecting public affairs and the expenditure of the public's money. That is money over which we are supposed to be exercising control.

• (1710)

[*Translation*]

Mr. Alexandre Cyr (Gaspé): Mr. Speaker, it is a pleasure for me to take part in this debate on the motion of the hon. member for Regina East (Mr. Burton), which reads in part as follows:

for a copy of a description of the area which the federal government would like to see incorporated in the proposed second national park in Saskatchewan to be situated in the Val Marie-Killdeer area.

Mr. Speaker, it is easy for me to speak on this motion, since development of the first national park in Quebec was started in my riding in 1970. We have had all sorts of problems in connection with designation of the area and expropriation of land.

I want to start by giving you the background of the Forillon National Park, and remind hon. members that on May 29, 1963, in the first speech I made in this House, I pointed out the importance of establishing a national park in the Gaspé Peninsula. I had hoped that such a park could be developed as a centennial project.

Having explained my project to the minister and submitted it to the Quebec provincial secretary, I was told that it could not be realized as the province was not at that time prepared to give up land to the Canadian government for the development of such a park.

Still trying to take steps in order to obtain a national park in the Gaspé Peninsula, the Eastern Quebec Planning Bureau recommended in a study on the economic

and social development of the Gaspé Peninsula that, in view of the touristic appeal of the area, a national park be mentioned in the Ottawa-Quebec agreement.

As well as being nature conservation areas, large provincial and federal parks have now become important tourist attractions. The Gaspé Peninsula offers interesting natural sites which have remained untouched and which are being developed in order to give visitors open air recreational facilities.

I congratulate the mover of this motion for having pointed out earlier the importance of national parks, but I think he forgot to mention the wonderful work which the present government is doing towards conservation of our land.

The province of Quebec and the federal Department of Indian Affairs and Northern Development have agreed in principle on having a national park in the Gaspé Peninsula.

According to the law, the government of the province was then to purchase and lease to the federal government, free of charge, for such time and on such conditions as would be mutually acceptable, the territory designated as the park.

The mover insisted a while ago on the necessity for the province to agree on having the park; it seems Saskatchewan is willing to do so.

But, Mr. Speaker, when it was decided that there would be a park in the Forillon Peninsula, needless to say many tried to speculate on the sale of the land.

A few weeks before the signature of an agreement for the development of the park, even a provincial department took the liberty of granting some prospectors an oil exploratory permit in the Forillon Peninsula where the park was to be located. Far from me, Mr. Speaker, the idea of implicating provincial officials about the grant of an exploratory permit a few weeks before the signature of the agreement, but the newspapers at the time not only suggested that the transaction was questionable, but that it showed lack of communication between two departments within the same government.

In order to prevent speculation in the transaction of land to develop the Forillon National Park, the Quebec government—that is, the National Assembly—introduced in July 1970, Bill 29, an Act concerning the Forillon Park and adjoining areas. The purpose of the bill was to enable the Quebec government to purchase quickly and transfer to the Canadian government the necessary land for the development of the Forillon Park.

The bill was also aimed at preventing, until June 30, 1971, except for agricultural purposes and in certain exceptional cases, any building, rebuilding, transformation, addition or new implantation of buildings as well as drawing up any plans for divisions or subdivisions in this area.

Section 4 of the act is very explicit and provides for deposit of the plan pertaining to the park. It reads as follows:

4. Deposit of the plan mentioned in article 792 of the Code of Civil Procedure carries with it, as of right, rescinding of any grants or licences of occupation or leases granted under the Lands and Forests Act or the Colonization Land Sales Act covering public lands included in the Forillon Park area as described in Schedule A. For the sole purpose of compensation payments, the owner of such a right is deemed to have been expropriated.

By way of this legislation, the Quebec National Assembly forestalled all potential speculation in the area. When the government decided to develop an airport at Sainte-Scholastique, the Department of Transport proceeded likewise, depositing all the plans and tenders and stipulating all the lands to be expropriated, in order to avoid speculation.

Last fall, I went to Washington wish a group of members of this House to study the operation of national parks. I was therefore able to see that in the United States they also have problems when determining the location of a historical site or a national park.

Mr. Speaker, there are always some citizens who are interested in speculation and this is only human. And when public funds are involved, many are not overly scrupulous.

This government, and in particular the Minister of Indian Affairs and Northern Development (Mr. Chrétien), wishes to stimulate the tourist industry in this country as well as the development of the national parks system so as to ensure the preservation of immense Canadian stretches of land in their natural state, and this in order that present and future generations may enjoy them. This House must pay tribute to the minister responsible for national parks for his magnificent work and initiatives.

I cannot figure out why a member would want the minister to make public the description of an area that he wishes to include into a park project, even before the end of negotiations with the province.

Mr. Speaker, in conclusion I must say that the master plan for the development of the Forillon National Park is finished and, after looking at the plans and specifications, it is possible to conclude that this park will become one of the most interesting in Canada as, for the first time, the Park Branch intends to include cultural and human interpretation.

The geological and biological attractions of Forillon are truly extraordinary and, by themselves, they provide very eminent examples of nature's marvels. Recognition will be given to the historical value of the site through conservation and interpretation. Visitors to Gaspé will be able to appreciate Forillon for its natural marvels where man will be seen as part of nature and integrated into a dynamic environment. The whole project will provide a unique example of harmony between man, earth and sea. Forillon Park will be an inspiration to our people in its consideration of man's relation to nature.

• (1720)

[*English*]

Mr. Bill Knight (Assiniboia): Mr. Speaker, it is with a great deal of interest and anticipation that I involve myself in this debate on the matter of disclosing a description of the boundaries of a park in part of my constituency. The hon. member for Gaspé (Mr. Cyr) suggested there should be some secrecy within the area of negotiations. I suggest to him this is not the case.

The particular land involved in the area of Killdeer-Val Marie is Crown owned land. I suspect there is no room for any type of speculation in that area. I point out to the hon. member for Gaspé that there is quite a difference between drawing up a park for the area of Killdeer-Val Marie and drawing up one for any particular area of the Gaspé. It was a nice treat to hear a description of his park. Some day I would like to visit it. However, I question the value of such a description in relation to the matter at hand. The question is a simple matter of asking the government to disclose the suggested boundaries for the area of a park in southern Saskatchewan.

During the recent by-election, I travelled in that part of the country. There was a considerable amount of concern as to the nature of this park and how it would affect the livelihood of such areas as Mankota, which is dependent upon the cattle raised on the grazing land around the proposed park. The government has been good enough, and I say this with some hesitation, to give copies of reports to the hon. member for Regina East (Mr. Burton) concerning this park. It does not seem inclined to give a description of the park in terms of the boundaries involved.

Although this may seem minor in many ways, a question does arise. I think it is an important matter when members of the House of Commons, who are directly involved in the problem of the creation of a national park in their area, are not informed as to the suggested boundaries of that park and are not informed of the other proposals in relation to that park or how it will affect the people involved. I can go along with the statement that this is a unique area of grazing land and a unique area of Canada in terms of its beauty. There is no question about that. However, there are questions as to how to keep the grazing land in that area trimmed. If it gets too long, it can be easily swallowed up by prairie fires. Some academic in a department drawing up plans for a park does not realize that most of this grazing land must be utilized to avoid prairie fires, since this is one of the most dried out parts of Saskatchewan.

The suggested boundaries for the park do not take into consideration the uniqueness of the particular area. It is a cattle producing area, and the lifestyle of the people is inclined toward being adventuresome; it is unique in comparison to the lifestyle of other Canadians. It is important to keep in mind that this is a part of their heritage. It was they who originally pioneered and developed the area in terms of its use in the cattle industry. If these people are removed from that area, what will be the economic effect on the town of Mankota which receives the benefit from something in the neighbourhood of $1 million in cattle sales each year?

One does not want to get excited about the government's proposal, or become involved in a long and lengthy discussion of it, without knowing some particulars of this suggested park, such as the boundaries. These boundaries should be made known to the public and, in particular, members of parliament. This information would allow the member for Assiniboia, myself at the moment, to meet with these people and discuss these matters. If such information were available, a considerable amount of the hearsay and misunderstanding in connection with setting up a second national park in this area, or the question of setting one up at all would be eliminated. There are many questions involved.

I hope the government will listen to the legitimate requests of the hon. member for Regina East and myself for a description of the boundaries of this proposed national park.

Mr. Joseph-Philippe Guay (St. Boniface): Mr. Speaker, I would like to say a few words on this subject. Perhaps it might be a worthwhile exercise to go into some of the history of our parklands. If one wants to make a good assessment, he would probably have to go back many years. In fact, it was three centuries ago when our forefathers inherited the forest, lakes and rivers which are today within the boundaries of our national parks. For many years these elements were often regarded as enemies to be overcome before the country could be developed.

We are strongly marked by the fact that for many years our history was influenced by the fight against the domination of nature. At some stage in the development of our nation, a problem of considerable import forced itself on our conscience. We became aware that misuse, together with a lack of foresight and planning, caused considerable and perhaps irreparable damage to beautiful regions of our country. This becomes a serious matter when a striking and unique example of our natural national heritage is destroyed. Decisions are needed. Definite measures are necessary to correct this situation. Every community must decide upon the format for its economic, social and cultural development and the use of its land. Conservation is an essential element in a comprehensive policy of land development. At every level of political and governmental structure, conservation must be given due consideration each time the fate of any park or other land is decided upon. This is true of the municipal, the provincial and federal levels.

• (1730)

More precisely, all governments must assume a policy of conservation for the purpose of providing green areas and reserving natural beauty spots where the balance of nature, wildlife and other elements may be maintained and may evolve freely. At the national level our conservation policy has taken concrete form in the creation of 19 national parks, covering an area of 30,000 square miles or more.

The first of these parks, Banff National Park in the Rocky mountains, dates from the last century when those holding political office had the necessary foresight to reserve under state protection a tract of land, including sulphurous waters and springs, in a magnificent mountain setting bearing traces of the passage of glaciers that centuries ago chiselled out the features of our country. All types of flora and fauna abounded in this area. Alpine meadows covered with delicate growth, animals such as the dangerous cougar and the great grizzly bear, and less terrifying species such as herd elk, deer and moose, wild sheep and goats, made the mountain slopes their home.

Mr. Skoberg: Hear, hear!

Mr. Guay (St. Boniface): I am glad someone is listening.

Mr. Burton: A point of order, Mr. Speaker.

Mr. Deputy Speaker: Order. The hon. member for Regina East (Mr. Burton) on a point of order.

Mr. Burton: Mr. Speaker, my point of order has to do with the relevance of the very interesting remarks being made by the hon. member to the motion under consideration, which concerns whether or not certain documents should be made available to this House.

Mr. Deputy Speaker: I will hear the hon. member for St. Boniface (Mr. Guay) on the point of order, if he wishes to assist the Chair.

Mr. Guay (St. Boniface): I am just coming to that point, Mr. Speaker. I am learning fast from opposition members and giving them some of their own back. You cannot sit here for as long as I have without at times acting as they do. May I continue?

Mr. Deputy Speaker: Order, please. I thought the hon. member for St. Boniface might want to speak to the point of order raised by the hon. member for Regina East (Mr. Burton). I have considerable sympathy for the point made by the hon. member for Regina East, but I understand the hon. member for St. Boniface is making preliminary or introductory remarks. I invite him to lead very quickly into the matter now before the chamber.

Mr. Guay (St. Boniface): Thank you, Mr. Speaker—and this I will do. Keen fishermen and hunters will no doubt tell you that every year they have to travel a little farther in search of less abundant game in ever-increasing populated areas. Our natural parks guarantee the survival of our wildlife by protecting their natural habitats. Then, too, there are places where the tensions of city life can be forgotten, where nature can be enjoyed on a camping excursion or while fishing, exploring, canoeing, or what have you. Hunting is prohibited in our parks. Appropriate protective measures must be taken to create game sanctuaries at random points across the country, otherwise hunting may become a thing of the past.

Samples of our fauna and flora are needed for scientific purposes and to further our education and that of our children. We must also preserve the tourist appeal of our countryside and draw attention to certain areas of outstanding natural beauty which should be better known to everyone. This is what we are trying to do in our national parks. Also, in our national parks areas are left in their natural state to provide the perfect habitat for local fauna and to allow the species their liberty. They also provide visitors with the agreeable experience of seeing animals at liberty in their natural state. What is more, we have set aside areas of these natural sanctuaries for migratory birds. Such resources are of inestimable value for Canadians and tourists from other countries. Unfortunately, our national parks system is at present incomplete.

Mr. Deputy Speaker: Order, please. I do not like interrupting the hon. member or any hon. member, for that matter, but I have a responsibility to the chamber. May I re-read the motion which is before the House for consideration:

Proposed National Park

That an order of the House do issue for a copy of a description of the area which the federal government would like to see incorporated in the proposed second national park in Saskatchewan to be situated in the Val Marie-Killdeer area.

It seems to the Chair that the speech being made by the hon. member for St. Boniface is very helpful and useful in a general discussion of our national parks, and I am not in the least critical of it or of remarks made by other hon. members. But as occupant of the chair I have the responsibility to ask hon. members, in so far as it is possible for them to do so, to speak to the question before the House. I invite the hon. member for St. Boniface to do so, and I know he will.

Mr. Guay (St. Boniface): I was coming to that point, Mr. Speaker.

Mr. Burton: That is what you said the last time.

Mr. Guay (St. Boniface): I will watch it this time, and I am glad you have brought it to my attention, Mr. Speaker. I am very concerned about the parks both in Saskatchewan and in Manitoba. In fact, I am so interested in a national park for Manitoba that I should like to address some remarks to that subject. I should like to refer to an article pertaining to this question, which I believe is relevant to the motion before the House, appearing in the Winnipeg *Free Press* for February 26, 1972. It is headed "'Partly Right' on Park" and reads in part as follows:

Premier Ed Schreyer of Manitoba agreed Friday that he is no longer as interested in having a national park in the northern part of the province as when he was a member of the House of Commons for Selkirk.

The Premier was replying to an accusation by federal Northern Affairs Minister Jean Chrétien that Mr. Schreyer—

Mr. Deputy Speaker: Order, please.

Mr. Guay (St. Boniface): This quotation does have a bearing, Mr. Speaker.

Mr. Deputy Speaker: I want the hon. member to continue, but I must once more say that the discussion of a park in Manitoba and the opinion of the Premier of Manitoba, or anybody else, on the question of the establishment of such a park is not relevant to the description of a proposed park in Saskatchewan. I know the hon. member is an experienced parliamentarian and that he will be able to tie these two matters together. I would invite him to indicate to the Chair the way in which his remarks are relevant to the motion.

Mr. Guay (St. Boniface): Perhaps I should put it another way, Mr. Speaker. The Premier of Manitoba is not interested any more in having the federal government initiate a national park in Manitoba. I am very concerned about this and I think I should spell it out. If he is not interested, then I am. In speaking to this motion may I say I am interested in having a park in Saskatchewan and a park in Manitoba, to be immediately initiated by the federal government—and the sooner the better! If it had not been for the foresight of our forefathers, we would never have had our beautiful Banff national park. This is why I felt I needed to refer to this background before I referred to a park in Manitoba. The federal government, in co-opera-

tion with the Premier of my province, should initiate a park in northern Manitoba.

• (1740)

I am surprised the Premier would not wish to accept the offer of the federal government to establish a national park. He said he could do this just as well as the federal government. If it were done by the federal government, the saving to the people of Manitoba would be very great indeed, bearing in mind that the federal government would be responsible for looking after the area, beautifying it and making it a place that not only this generation but our children could enjoy. I hope the Premier, whom I admire, will reconsider his position.

Mr. Burton: What about the government reconsidering its view about this motion?

Mr. Guay (St. Boniface): I did not hear what the hon. member said. Would he repeat his question?

Mr. Deputy Speaker: Order, please. The hon. member for Regina East has a question.

Mr. Burton: Would the hon. member persuade the federal government to reconsider its views and accept the motion now before the House which has to do with the production of certain information or documents concerning a proposed second national park in Saskatchewan?

Mr. Guay (St. Boniface): I appreciate that the hon. member is very concerned about Saskatchewan, I am equally concerned about a park being initiated in Manitoba. The federal government is doing its utmost to initiate both projects with benefits not to one province only but to two. I agree there should be a park in Saskatchewan, but it seems to me that it should be the policy of the federal government to deal with the nation as a whole and not only with Saskatchewan or Manitoba.

Mr. Burton: Does the hon. member not consider it would help him in his objective of securing a second national park for Manitoba if this information with respect to a proposed second national park in Saskatchewan were made available to the public?

Mr. Guay (St. Boniface): I am all in favour of any number of parks.

An hon. Member: Answer the question.

Mr. Guay (St. Boniface): That is what I am trying to do. If Manitoba or Saskatchewan wish to establish other parks on their own, I am in agreement. At the moment, I believe the province is responsible for long-term planning, if I may use that term—

An hon. Member: Go ahead.

Some hon. Members: Hear, hear!

Mr. Guay (St. Boniface): —and has responsibility to preserve land for the enjoyment of the citizens of the future, keeping it as a wilderness for the recreation of those who come after us. This is the policy of the federal government, and I cannot understand why the Premier of the province changed his mind. He was in favour of the project when he was in this House, but now he is Premier his views have altered. According to the *Free Press*, he is reported to have said: "I am less interested today than I was five years ago." Mr. Speaker, I am interested every day of the year when the federal government has the common sense and initiative to help the people in our western provinces.

[Mr. Guay (St. Boniface).]

Mr. Eymard Corbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, there are certain pertinent comments I should like to put on record and address to hon. members in connection with the motion now before us.

[*Translation*]

I should like to make my remarks in French, Mr. Speaker, because it is the language in which I can express myself more easily and more fluently, particularly when I have no prepared notes.

The motion before the House reads as follows:

That an Order of the House do issue for a copy of a description of the area which the federal government would like to see incorporated in the proposed second national park in Saskatchewan to be situated in the Val Marie-Killdeer area.

I do not possess much information on the area referred to in this motion, but I think it gives me an opportunity of making some comments of a general nature which can apply to any other proposal for national parks in Canada.

Earlier today, when I heard my two hon. friends exchanging remarks across the way, I made the following reflection: if it is difficult to determine the best place for the location of a national park in western Canada, I am prepared to accept every proposal of the government for the location of a third park in New Brunswick.

Having said that, Mr. Speaker, it seems to me that the motion proposed by the hon. member, asking "for a copy of a description of the area" could lead to a sort of excessive speculation on the land to be included into the general area of a national park. And it seems to me that the fundamental question to be asked—

[*English*]

Mr. Burton: Mr. Speaker, may I ask the hon. member whether he was in the House to hear what my hon. friend from Assiniboia (Mr. Knight) said a few minutes ago in answer to earlier remarks about the possibility of speculation? My hon. friend said that most of the land in this area is Crown-owned; it is held on lease by various ranchers or farmers but speculation does not come into the picture. If at any time there are negotiations for the sale of privately-held land, people will be fully aware of what they are about.

Mr. Corbin: I was not in the House at that point in the debate. In this case we are, it is true, dealing with Crown land, but what the hon. member is trying to establish is the principle that the government should be obliged to table a map or general description of any area which is in the future to be designated as a national park. This is the heart of this discussion. The hon. member may have a point with respect to this particular proposal, but if accepted we would be setting a precedent which could be

detrimental to the efforts of the government to establish at the lowest cost possible to the public purse a national park or a number of national parks.

I wished to refer particularly to the repercussions which the adoption of the motion before us might have on park proposals within my own province of New Brunswick; however, I should like to comply with the request of the parliamentary secretary and close my remarks at this point in order to give him an opportunity to put some facts on the record.

• (1750)

Mr. Allen B. Sulatycky (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, the hon. member for Regina East (Mr. Burton) in the course of his remarks pointed out that some time ago he first raised this subject at a time when the seat of Assiniboia was not represented in this House. But in doing so I am sure he did not intend to indicate that was the first time this matter had been raised, because I know many hon. members are aware of the very assiduous efforts made by the former member for Assiniboia, the late Ab Douglas, one of the most respected men who served in this House. He made many efforts to secure this park for that part of Saskatchewan. If the hon. member had diligently studied the documents which were delivered to him some months ago relating to this park, he would have found that the first correspondence from any Member of Parliament was from the late Ab Douglas in relation to a proposed park in southwestern Saskatchewan.

The hon. member for Regina East seems to feel the government is placing a very high priority on the matter of secrecy. Let me assure him that this is not the case. The government does not wish to keep anything secret in so far as the park is concerned: it wishes to create a prairie grasslands park in southern Saskatchewan. It is the stated intention of the Minister of Indian Affairs and Northern Development (Mr. Chrétien) to increase by 60 the number of parks in Canada before the end of this century. In the last four years the minister has done more to preserve the natural features of Canada for future generations than has any minister in the history of this country. One has only to consider the growth of our national parks system to recognize that the minister is not concerned about keeping secret the locations or delineations of national parks but, rather, is concerned about creating more national parks.

In the last four years the government has created 10 parks. Since 1944 it is interesting to note that with the exception of the province of Alberta, which even then had a greater percentage of its lands in national parks than any similar area of the globe, two provinces have not seen fit to transfer to the government the necessary land for parks. These two provinces have Socialist governments.

Mr. Burton: I rise on a point of order, Mr. Speaker. That statement of the parliamentary secretary is irresponsible and inaccurate. It was the Liberal government in Saskatchewan which refused to negotiate in this matter.

Mr. Deputy Speaker: Order, please. Hon. members may not agree with statements of other hon. members, but that is hardly a point of order.

Mr. Sulatycky: Mr. Speaker, I was referring to the year 1944 which is a red-letter date for the Socialist movement in Canada, and in Saskatchewan in particular. Let me go back to the history of this park so that the statements of the hon. member for Regina East (Mr. Burton) and the hon. member for Assiniboia (Mr. Knight) are not left uncorrected. First, as the hon. member for Assiniboia has said, in order for the land to be used by the federal government it must be Crown land. It may be in fact provincial Crown land. However, it is up to the provincial gover-ment to negotiate for the lands which it will be turning over to the federal government for use as national parks.

Therefore the federal government cannot delineate the precise boundaries it intends to set aside for a national park in southwestern Saskatchewan until the provincial government has completed its negotiations with the land holders. There are land holders in fee simple and there are land holders who hold land by virtue of a lease, which gives them as much right to hold the land and demand compensation as if they had it in fee simple. It is up to the provincial government of Saskatchewan to ensure that the land is acquired, that there are no encumbrances on it and that it is transferred to the federal government.

Mr. Burton: Mr. Speaker, may I ask a question?

Mr. Deputy Speaker: Yes, if the hon. member who has the floor will receive it.

Mr. Sulatycky: I do not want to leave the wrong impression. In the last few months there has been more communication on this matter than ever in the past. This has been the situation since the last provincial election in Saskatchewan. The Hon. E. Kramer and our Minister of Indian Affairs and Northern Development have ended an apparent breakdown, so to speak, in communication. Just last week the Minister of Indian Affairs and Northern Development received correspondence from his counterpart in Saskatchewan and is now preparing a reply. So there is very good reason to believe that in due course positive evidence will be seen of the new negotiations which have taken place between the two governments.

I am hopeful that in very short order the minister will be in a position to make a statement to the House on this matter. I point this out in an effort to convince the House, the hon. member for Regina East and the hon. member for Assiniboia that it is not the purpose of the Department of Indian Affairs and Northern Development to keep this matter secret. It is not our intention to keep information from these two hon. members. All the documents which can be produced have been produced. We are simply waiting for the provincial government of Saskatchewan to acquire the land in an unencumbered state and transfer it to the federal government so that a second national park may be established in Saskatchewan as part of the effort the Minister of Indian Affairs and Northern Development has been making in the last ten years to create a fully-rounded national parks system in Canada.

We place the highest priority on creating a prairie grasslands park. There has been tremendous public interest in this matter, not only from members representing federal ridings in Saskatchewan but from large numbers of people outside the political sphere and from people outside Saskatchewan who feel it is important that a prairie grasslands park be designated in order to give us the completely-rounded system which we all desire in Canada.

Mr. Deputy Speaker: Order, please. It being six o'clock I do now leave the chair, to resume the same at 8 p.m.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*Translation*]

CANADIAN NATIONAL RAILWAYS AND AIR CANADA

PROVISION FOR CAPITAL EXPENDITURES AND GUARANTEEING OF SECURITIES AND DEBENTURES

The House resumed consideration of the motion of Mr. Turner (Ottawa-Carleton) that Bill C-4, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways system and Air Canada for the period from January 1, 1971, to June 30, 1972, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company and certain debentures to be issued by Air Canada, be read the second time and referred to the Standing Committee on Transport and Communications.

Mr. Godin: Mr. Speaker, before recess, I was expressing the wish of numerous pensioners of the Canadian National who would like to see their pension increased. I was just going to quote figures to prove that this is possible, since by the end of 1968, the pension fund of the CN was close to $1.5 billion.

From 1952, the number of CN employees went from 121,000 down to 84,000, a decrease of 35 per cent.

On the other hand, from 1959 to 1968, the number of contributors to the pension fund jumped from 50 to 73 per cent, and I think that the day is not far when it will strike 100 per cent. During the same period, from 1952 to 1968, the reserve capital has gone up by 700 per cent.

According to the financial report, again for 1968, without taking into account the $41 million contribution of railways to the pension fund, the amount contributed by the employees, in addition to the interest on investments, was $65,880,597. Pensions paid during the year amounted to $46 million. Had those pensions been raised by 25 per cent, there would still remain $8 million to add to the reserve capital.

[Mr. Sulatycky.]

It is also found that if current regulations are maintained, contributions to the pension fund will have increased by 50 to 55 per cent in 1980.

I do not advocate a direct boost of 25 per cent. However, so as to eliminate any discrimination, current regulations should be examined. To this effect, CN employees made a complete study and even came to Ottawa to make recommendations to CN authorities. Some of these recommendations are found in Issue No. 29 of June 2, 1970 of the Standing Committee on Transport and Communications under the chairmanship of the member for LaSalle (Mr. Lessard) and I quote:

> Recommend the immediate decking or stacking of the CN pensions with the Canada Pension, rather than the present integrated arrangement.
>
> Remove penalty for early voluntary retirement after the age of 55 years, where the age and service add to 85 or more as at present.
>
> All existing and future C.N. pensions to be increased in accordance with existing cost of living index and an escalator clause to be inserted in agreements to cover.
>
> Increase the basic pension under Part I from the minimum of $300 annually. Increase to be in accordance with the cost of living index applicable as from 1949.
>
> Recommended that the survivor benefits paid to widows or dependents of pensioners be increased from the present 50 per cent to the full amount of the pension formerly paid.
>
> That the present pension board, which now consists of four representatives for the company, and three representatives for the employees, (now held by union executives), be increased to four representatives each for the company and for the employees, plus one independent member, preferably an actuary. That the capital reserve of the C.N. pension fund be pegged at a set amount and be reviewed every three years when any recommended revisions necessary may be implemented.

Mr. Speaker, my suggestions can be summed up in three points. First, more security through better maintenance of railroad tracks by reducing the distances a given group of men has to cover. Second, a new method of financing which in fact would allow right off the bat savings of $75 million a year. Third, since there was enough in the pension fund for this tampering to be allowed to go on, let us put an end to that practice and let us see to it that our pensioners are treated with all the respect due to those people who devoted their lives to a Crown company.

• (2010)

In brief, Mr. Speaker, the government, the CNR, the employees and the public will all benefit from it.

[*English*]

Mr. Grant Deachman (Vancouver Quadra): Mr. Speaker, I do not want to take up too much of the time of the House, but having been a member of the transport committee and having enjoyed my relationship with it and with the people I was fortunate to meet in the Canadian National, Canadian Pacific, Air Canada and elsewhere in the transport industry throughout Canada, I do not want to let this occasion pass without participating in the debate.

I notice that when we enter this annual debate with respect to Canadian National Railways, the chamber retains mainly those members who are from the far reaches of Canada and who are interested in transportation problems. Those who are from the centre of Canada,

within easy reach of Ottawa, do not attend this debate in great number. So it is on an occasion like this that we find in the chamber and interested in the debate members such as the hon. member for Skeena (Mr. Howard), on the shore of the Pacific, the hon. member for Winnipeg North Centre (Mr. Knowles), representing the greatest railway centre in Canada and the one from which a great deal of wheat is moved, the hon. member for Vancouver East (Mr. Winch) whose riding touches the shores of Vancouver Quadra in and out of which ships take wheat to the Far East, the hon. member for Malpèque (Mr. MacLean), the hon. member for Egmont (Mr. MacDonald) whose riding in Prince Edward Island is almost wholly dependent not only on the efficiency of Canadian National but on the ferry service which it operates, and the hon. member for Saint-Jean (Mr. Smith) who represents a railway centre in the province of Quebec.

When I first came to this chamber in 1963 the standing committee on transport was the first committee with which I had anything to do. I have very vivid recollections of going into that committee, sitting down in a seat to look at a committee of parliament for the first time and finding myself seated between Douglas Fisher on the one hand and the late Sherwood Rideout on the other, a railway man from New Brunswick. These two gentlemen were the rugged defenders of parliament against the ogre of that day, Donald Gordon. They were in the forefront of what for many years had been a great vendetta between the members of parliament interested in transportation on the one side and Canadian National Railways on the other. It was an interesting procedure to watch. Donald Gordon, the president of the railway, would come into the room and he would have with him a coterie of vice-presidents and officials, each of whom had a black bag in which there were sheaves of railway statistics. When he was asked a question he would say, "I will defer to Mr. Smith, vice-president of the railway," to the "vice-president of maintenance of ways"—or of whatever it happened to be—"and he will give you the information." Whereupon this gentleman would open up his black bag and we would be showered with railway statistics for the next half hour.

I do not suppose that in the history of parliament a better snow job was done on parliament than that which was done by Donald Gordon, and I don't suppose a better job was done of squaring up to a rugged man like Donald Gordon and tackling him at the parliamentary level than was done in those days by Douglas Fisher and Sherwood Rideout. This was a great introduction for me to the procedure of parliamentary committees. When I look back on it now I realize that Donald Gordon really showed us only the tip of his slipper pushed out from beneath the Pullman curtain, because we saw so very little of what went on behind.

As time went on, the committee became more sophisticated and its members much more knowledgeable about railway and transportation affairs generally and about the CNR and Air Canada in particular. Over those and the ensuing years we took part in such debates and in debate on the act setting up the Canadian Transport Commission. We listened to many experts and in fact became semi-experts ourselves. In addition to that, the practice grew in the House of Commons of letting committees travel around the country in order to study what was going on. One of these committees which saw the country and discussed with people on their own ground the problems of transportation was the standing committee on transport. Over the years the committee has had many able chairmen, not the least of whom is the present chairman, the hon. member for LaSalle (Mr. Lessard). He is a fair and impartial chairman, very interested in the problems.

• (2020)

Some hon. Members: Hear, hear!

Mr. Deachman: I believe members on all sides of the House respect him as a parliamentarian—

Mr. Horner: What is all this leading up to? Are you going to put him in the Senate?

Mr. Knowles (Winnipeg North Centre): He is too good for that.

Mr. Deachman: I have not had an opportunity tonight to say how much the committee has benefited from the participation of the hon. member for Crowfoot (Mr. Horner) whose continuing interest in transportation has been over the years a highlight of the work of the committee. He suggests that the chairman of the committee should be sent to the Senate—

Mr. Horner: I did not suggest that. I rise on question of privilege, Mr. Speaker.

The Acting Speaker (Mr. Laniel): Order, please. The hon. member for Crowfoot (Mr. Horner) rises on a question of privilege.

Mr. Horner: Mr. Speaker, the hon. member is attempting to—I do not want to use the word "twist" but he is attempting to mislead the House by his misinterpretation of the question I asked him under cover of flowery compliments paid to the chairman of the transportation committee. I posed the question—

The Acting Speaker (Mr. Laniel): Order, please.

Mr. Horner: I am coming to my question of privilege. I posed the question, "What is going to happen next? Are you going to put him in the Senate?" I did not suggest that he should go. I am one who wants him to remain as chairman of the transportation committee. The hon. member and myself and most members of the Convervative party get along very well when that member is in the chair.

The Acting Speaker (Mr. Laniel): Order, please. The hon. member for Crowfoot knows that he cannot take advantage of a question of privilege to seek the floor in this way.

Mr. Horner: He misinterpreted my remarks.

The Acting Speaker (Mr. Laniel): By using the Standing Orders and rules of the House the hon. member can gain the floor—

Mr. Horner: That was a bona fide question of privilege.

Mr. Deachman: Mr. Speaker, if I were the Prime Minister, who is the only member of this House who can make appointments to the Senate, I would say to the hon. member for LaSalle, "It breaks my heart not to be able to send you there, but the boys in the House of commons want you on the transportation committee. Your time has not yet come."

Mr. Horner: Put me in the Senate, then.

Mr. Deachman: I will put in a word for you.

Mr. Horner: Thank you.

Mr. Deachman: Last evening, when we were debating this subject, one hon. member went to considerable lengths to point out the faults of the railway and describe how in terms of equipment, service, cleanliness and just about everything you can think of it was not living up to expectations. Tonight I want to say a few things on behalf of the railway. That may seem strange, but I think we should be realistic, look at what is taking place in the country and assess it.

I have here a press release issued last year by the CNR dealing with grain traffic. I should like to refresh the memories of hon. members about what is taking place in the movement of bulk commodities and grain in the west. This release is dated July 31, points out that Canadian National had just completed the best annual grain handling job in their history and goes on to say:

Reasons largely responsible for setting a number of new grain handling records in the 1970-71 crop year, which ends today (July 31), included a new pool unloading system instituted at the west coast and Thunder Bay terminal elevators, as well as CN's introduction of 1,400 covered hopper cars in the grain trade and the operation of 52 grain unit trains of 100 such cars each.

The pool unloading system now operating at Thunder Bay and Vancouver provides faster turn-around of railway cars. It was made possible through co-operative efforts between grain companies.

Many new export records also were established in the grain handling system, Mr. Gardiner added. The railways delivered more than 690 million bushels of all grains, five million bushels more than the previous record established in the 1963-64 crop year.

Then it says:

Nearly 260 million bushels of grain were handled through west coast ports in the 1970-71 crop year. This is about 25 million bushels more than the previous record year of 1965-66.

Mr. Woolliams: That is like saying you are one year older than last year.

Mr. Deachman: The release continues:

During the 1970-71 crop year, CN loaded 177,000 cars of grain, surpassing the previous record of 175,000 carloads. It also was pointed out by Mr. Gardiner that CN loading to Thunder Bay and Vancouver of wheat, oats, barley, rye, flaxseed and rapeseed all showed substantial average bushel increases per car than was achieved in the 1969-70 crop year.

It is also worth while to refer to the 1970 annual report of Canadian National Railways where they give statistics in regard to new equipment. This is a matter which has been discussed in the course of this debate. At page 10 the report points out:

During 1970 a total of 4,546 new freight units were acquired. These included steel-covered hoppers for potash, fertilizer and general service; bulkhead flatcars for international lumber service; newsprint boxcars; coal cars and Piggyback flat cars. In addition 51 diesel-electric locomotives of 3,000 horsepower each and 20 of 3,600 horsepower each were delivered during the year. On order at year end were 12 diesel-electric locomotives of 2,000 horsepower each, 20 of 3,600 horsepower, and 66 of 3,000 horsepower.

These facts escape the hon. member opposite who felt that the replacement had come to an end and that we were dealing with an antiquated railway system. The report deals with containerization at page 11 as follows:

In the spring, Japanese lines started operating regular container services into the newly constructed centennial pier in Vancouver, and this operation is expected to expand in the coming year.

One of the biggest, if not the biggest, containerized vessels in the world is now arriving on the east coast, and equally big and modern vessels are arriving on the west coast. The day is not far distant when freight will be moved in this way around the world, arriving in Vancouver on fast, ocean-going vessels which will discharge the containers on to trains which will move across the continent, then the containers will be placed on vessels at the east coast and thus shipped across the Atlantic.

• (2030)

Mr. Gleave: Mr. Speaker, I should like to ask a question.

Mr. Deachman: Mr. Speaker, I am delighted that I have a listener who wants to ask a question.

Mr. Gleave: Mr. Speaker, may I ask the hon. member a question?

The Acting Speaker (Mr. Laniel): Order, please. The hon. member knows that he may ask a question only if the hon. member who has the floor agrees, since the time taken is subtracted from the time allotted to the hon. member.

Mr. Deachman: I will be delighted to answer.

Mr. Gleave: Mr. Speaker, disregarding for a moment

Mr. Gleave: Mr. Speaker, disregarding for a moment the euphoria of the hon. member over the modernization which he has described, can he tell us why the minister in charge of the Wheat Board said in the House today that orders for deliveries of grain cannot be accepted at Vancouver? If existing facilities are sufficient, why has the minister in charge of the Wheat Board informed this House that the authorities cannot accept orders for grain deliveries?

Mr. Deachman: Mr. Speaker, I am not here to expound on the minister's problems.

Some hon. Members: Oh, oh!

Mr. Gleave: They are not the minister's problems, they are the farmers' problems.

Mr. Horner: They are the problems of all western Canada.

Mr. Deachman: Mr. Speaker, let me point once more to the figures which show what has taken place in the movement of grain on the west coast. I think the hon. member opposite knows as well as I do that in the course of a very

few years the capability of the west coast to handle grain and move it abroad has doubled.

Mr. Gleave: So what? Doesn't the merchant build his business to suit the customer?

Mr. Deachman: Of course he does.

Mr. Gleave: What is happening makes me sick.

Mr. Deachman: Of course that is what a merchant does. And to satisfy the customer, the most efficient as well as well as the newest elevator in Canada, operated by the Saskatchewan Wheat Pool, has been built—

Mr. Gleave: It was built because you guys would not put up the money. All my neighbours put up the money.

Mr. Horner: What has happened to the government elevators out there?

Mr. Gleave: They would not even move the wheat out there after we had put up all that money.

Mr. Horner: The government elevators closed down in Vancouver.

The Acting Speaker (Mr. Laniel): Order, please. We must be fair to the hon. member who has the floor. Hon. members will have an opportunity to express views on the bill before us and on the operation of railways in Canada. We cannot make progress if there are lengthy exchanges among hon. members. According to the rules of the House, hon. members must address the Chair: that is the best way to make progress.

Mr. Deachman: These exchanges illustrate, I think, Mr. Speaker, what I tried to say originally. Members of the transport committee, as well as others who are interested in transport matters, are present and are anxious to take part in the debate. This is a good debate. Speaking as one who is taking part in the debate, I am delighted to find the great amount of interest that is evident in the House. Hon. members are listening instead of going to sleep behind the funny papers.

These exchanges illustrate that for those who live in western Canada on the west coast, on the Prairies, in Prince Edward Island or in the Maritimes, transportation is an interesting subject. When this subject is discussed in the House, people wake up and take an interest in what is going on. Therefore I welcome the questions and remarks that are coming from the other side of the House. Do not knock what is happening, Sir, because these exchanges are evidence of hon. members' interest in a subject that is well worth debating in this House.

Mr. Woolliams: Mr. Speaker, would the hon. member accept a question?

Mr. Deachman: I shall be delighted to do so.

Mr. Woolliams: Does the hon. member appreciate that right now they are short 20 million bushels of wheat in the terminals at Vancouver? In 1928 this country produced 600 million bushels of wheat. Then we had an old-fashioned railway system and the farmers delivered by wagon and horse and got their wheat to market. But now there is nothing in the terminals at Vancouver to move to market, as the hon. member for Saskatoon-Biggar (Mr. Gleave) just suggested. I should like the hon. member to say—and he can refer to documents—why this government is not moving our wheat from the Prairies to Vancouver. That is the question we must consider tonight, and not this nonsense to which the hon. member is referring.

An hon. Member: It takes Conservatives to move wheat.

Mr. Deachman: Mr. Speaker, I will try to answer the hon. member's question. I think hon. members opposite know that I represent a riding in the city of Vancouver which is concerned particularly about the shipment and movement of grain. That movement, when I first came to parliament, did not begin to approach the grain movement that we now see going out of west coast ports. This movement has arisen in the course of a decade and we have had to cope with it in the course of a decade.

We are looking at the shift in the movement of grain from its traditional European export path to a Pacific export path. We are looking at a country that is attempting to orient its export shipments from a traditional eastward movement to a westward movement. When I see what has taken place in the harbour of Vancouver to cope with this problem, I think the harbour of Vancouver and the people who are responsible for it—

Mr. Horner: It has not changed one iota.

Mr. Deachman: Just a moment—

Mr. Horner: It has not changed one iota.

Mr. Deachman: Just a moment, now—

Mr. Gleave: Mr. Speaker, would the hon. member be willing to accept another question?

Mr. Deachman: I have been willing, Mr. Speaker—

The Acting Speaker (Mr. Laniel): Order, please. The hon. member knows that he cannot force a question on the hon. member who has the floor. It was the impression of the Chair that the hon. member for Vancouver Quadra (Mr. Deachman) intended to complete his remarks without accepting all the questions which might arise. If the hon. member accepts all such questions I do not think much time will be left for him to complete his remarks.

Mr. Deachman: Mr. Speaker, I dislike very much not accepting the questions of hon. members. May I continue the thread of the argument I was following a moment or two ago? Hon. members opposite can ask questions if there is time, or enter into the debate. Essentially I want to say this: some of the things we have done in coping during the past decade, with the great switch in our export market which saw our outgoing Atlantic movement change to a Pacific movement, are as follows—

Mr. Horner: What changes have you made?

Mr. Deachman: There has been built, for instance, on the west coast the best and most modern elevator available.

Mr. Horner: And who built that?

Mr. Deachman: Well—

Mr. Horner: Who built that?

Mr. Deachman: I will be very glad to tell you hon. members who built it. It was built by the Saskatchewan co-op, by many hon. members opposite whose dollars are involved in that co-op.

Mr. Horner: Don't take the credit for it, then. Tell us what the government did.

Mr. Deachman: I am saying that it was built at Vancouver harbour to improve the grain trade.

Some hon. Members: Oh, oh!

Mr. Deachman: And to provide access to that elevator the biggest suspension bridge in Canada was built across the harbour. Along the harbour, at other points, dredging took place in order to allow larger vessels to come to Vancouver harbour and accept grain.

Mr. Horner: The harbour is dredged every year.

Mr. Deachman: Longer jetties were extended into Vancouver harbour in order that vessels of longer length could be loaded and in order that more and more holds at one time could be filled, thereby enabling the men to work more quickly and ships to turn around faster. The net result of this—

Mr. Horner: Did you people put electric light bulbs over the edge of the harbour so that ships could be loaded at night?

Mr. Deachman: That may have been done. However, the net accumulated effect of all this, plus the accumulated effect of the additional boxcars and modern unit trains I referred to earlier in my remarks, has enabled the port of Vancouver to deliver twice the amount of grain—

Mr. Horner: No.

Mr. Deachman: It has moved twice the amount of grain that it was able to move a decade ago.

Mr. Horner: In 1960 they loaded one million bushels per day. They are not loading that much today.

Mr. Deachman: I ask hon. members who doubt these figures to check the amount that was loaded on average a decade ago. Look at the amount being loaded now and compare the operations of a decade ago with what is being done now.

Mr. Gleave: Who cares about what happened ten years ago?

Mr. Deachman: Also, Mr. Speaker, we who come from Vancouver can say that we have moved from being Canada's second or third ranking port to Canada's first ranking port in terms of export volume.

Mr. Horner: That has resulted from the level of ocean freight rates and not from anything the port did.

Mr. Deachman: One could say, perhaps, that we have not done the best job in the world—

Mr. Horner: Hear, hear!

• (2040)

Mr. Deachman: Essentially, what we have succeeded in doing—

Mr. Horner: Another failure by the government!

Mr. Deachman: No, it is not. We have succeeded in doubling the capacity of that port to take care of Prairie shipments. I do not think that is a bad performance. Hon. members opposite from the prairie provinces may want to tell us what they have done about grain drying and utilizing grain cleaning equipment to enable them to send clean, dried grain to the west coast so we would not have to perform those functions at the moment grain was demanded by ships. They might look at their own antiquated elevator system, which is based on the movement of the horse and wagon to a railway elevator point, and ask themselves just what they have done to improve the system on the Prairies for the smooth movement of grain. I listened to hon. members telling us about the movement of grain. I listened to experts who appeared before the transport committee telling us about the antiquated system for which members opposite have fought.

Mr. Horner: They are not antiquated.

Mr. Deachman: I do not think we on the west coast have to apologize for anything. We have twice the capability for moving grain that we had a decade ago. The people on the Prairies do not begin to have twice the capabilities. I drove through the Prairies. What did I see? Did I find the prairie people in the co-op, who were boasting a moment ago, capable of taking care of the grain situation? No. I found storage on farmers' land in increasing quantities because, I presume, the co-ops have not been able to take care of it. If I were looking for efficiency in the handling of grain and the storing and movement of grain, I would not look to the west coast for improvement but to the Prairies.

Mr. David MacDonald (Egmont): Mr. Speaker, it is unfortunate that the hon. member for Vancouver-Quadra (Mr. Deachman) sat down so quickly, because he was having such a good time telling us how great things are in the west. He could have started to tell us that in the east we have no problems in spite of the eight increases in freight rates we have suffered over the past three years and the considerable decline in the movement of our basic products such as potatoes to central markets. However, one presumes that the hon. member has no limit to his naivety and that on a future occasion he will favour us with a rendition of how things are not in eastern Canada.

Having listened to Aesop's Fables for the past few minutes, I think it would be useful to put some hard facts on the record. In the past few days I have received a newsletter issued by the potato trade which indicates in factual terms the deterioration in service provided by the railway for the movement of that basic commodity from Prince Edward Island. It is interesting to note the move-

ment of potatoes over the past five years and see where increasing freight rates are leading the potato industry.

I shall read this into the record briefly. It stands as some kind of monument to the impact of the present transportation policy on the agricultural industry of eastern Canada. To February 25, 1968, there were 9,760 carloads of potatoes moved by rail from Prince Edward Island. To February 25, 1969, there were 10,912 carloads moved by rail. To February 25, 1970, 12,306 carloads of potatoes were moved. I stop at this point to indicate that until this time we had been operating under a freight rate assistance act that had not been altered substantially since before World War II. In those three years, 1968 through 1970, there was a considerable increase in the amount of potatoes moved by rail.

What happened in the first full calendar year after the new freight structure was introduced? To February 25, 1971, there was a sudden drop from 12,306 cars to 8,654—a fantastic drop of approximately 33 per cent. To February 25, 1972, the number of carloads of potatoes moved by rail declined by more than a thousand to 7,643. This is as a direct result of freight increases, eight of which we have suffered in the past 29 months. The last rail rate increase was on February 24 of this year. That increase, announced by the Railway Association of Canada on behalf of the Canadian railways, ranges from 4 per cent to 8 per cent.

The latest increase is another in what has become a pattern of increase every six months since the lifting of the rail freight rate freeze on September 23, 1969. This succession of rail rate increases now stands at a cumulative total of 35 to 68 per cent, depending upon the rate level, for non-competitive rail rates and 19 to 40 per cent on competitive rail rates. While it may be argued that railway rates were frozen for almost ten years prior to September 23, 1969, the accumulative increase enacted during the years immediately following the lifting of the wartime prices and income freeze, in fact for the lower rated traffic the increase since September 23, 1969, exceeds the increase in any similar period since World War II.

I wonder if the hon. member for Vancouver Quadra is still listening and is still prepared to tell me how wonderful things are with regard to the operation of the railroad and the discriminatory action taken by this government with respect to rail rates as they affect the Atlantic region. It is ludicrous for anyone in this chamber or anywhere else to suggest that we have somehow benefited from any kind of enlightened transportation policy. In fact, we know the situation is quite the reverse; we are faced with an extremely serious situation.

So that no one will be inclined to suggest that this decline in the use of the railroad is the result of shifting to other carriers such as truck transport, may I put on record the figures for the same five-year period. To February 25, 1968, 822 truckloads of potatoes were moved from Prince Edward Island. To February 25, 1969, 870 truckloads were moved. To February 25, 1970, 879 truckloads were moved. To February 25, 1971—presumably because some advantages were granted to the trucking industry—there was an increase to 1,173 truckloads. To February 25, 1972, when action was being taken to increase rates for the trucking industry, there was a substantial decline to 922 truckloads.

The situation in which we find ourselves at the present time with regard to moving perishable commodities and basic products such as potatoes is that increasing discriminatory action is being taken by the transport industry, I assume under the direction of the Canadian Transport Commission. This will undoubtedly have a continuing depressing affect on the agricultural industry of Atlantic Canada. In this respect I wish to refer to Fraser's Potato Newsletter which is published in Prince Edward Island, which indicates that this trend will probably continue and that we will be seeing more people moving closer to the population centres of Canada or to the ports where they can move their spuds to market short distances by truck and water instead of in the old-fashioned way. The old-fashioned way seems to be the fundamental way for the basic industry of Prince Edward Island. Unless and until the government requires its own agency, the CNR, to live up to its commitments, the agricultural industry in Prince Edward Island will face increasing difficulties. I find it rather difficult to believe that the government would introduce these measures without requiring their agency, the CNR, to reconsider its over-all policy respecting the movement of such basic commodities.

• (2050)

I do not want to spend all of the time available to me discussing the aspect of freight rates alone. Recently, both railroads applied to discontinue passenger train service to the Atlantic region, which applications were denied. I was happily surprised that the Canadian Transport Commission not only refused the applications of the railroads but took the rather unusual step, which I hope will be very largely responded to by the general public, of inviting suggestions from the public in regard to improving passenger train service between Montreal and the Maritimes.

If ever I felt there was need for public response and contribution it is in the area of giving some imagination to the current unimaginative and dreary attitude exhibited by the nation's railroads in connection with passenger service. I have occasion from time to time to travel on the railroad, both long distances from here to Prince Edward Island and shorter commuting distances such as to Montreal and Toronto, and every time I realize how actively the railroad discourages public use of the railroad for passenger traffic. It cannot be said more simply and directly than that. It is abundantly clear, particularly under the new transportation arrangements, that the railroads do everything they legally can to ensure that passenger travel will be at least an unpleasant experience. It is difficult to describe, unless one has a tremendous flair for language and colour, the paucity of imagination regarding the facilities provided for passenger traffic on our railroads. Just recently the railroads took a further backward step in deciding to increase passenger costs by separating accommodation and meals which had been hitherto provided on the same ticket. What does one find when one travels aboard Canada's railroads today?

Mr. Peters: Members of parliament.

Mr. MacDonald (Egmont): That is right, but you also find many people who have no alternative mode of travel. There are not many who travel because they choose to use the railways.

Mr. Woolliams: Only when there are strikes.

Mr. MacDonald (Egmont): Mostly during strikes, that is true. They do so out of desperation, I presume. No effort is made to make the trip an enjoyable event in itself, whether in terms of housekeeping facilities and general level of hospitality—if I may put it that way—aboard the railroads, or in terms of some diversion or entertainment while aboard.

It is a rather fascinating piece of Canadian history that when radio broadcasting was first developed in this country, which was in the 1920s, one of the first places a person could listen to the radio was while sitting in the lounge car of a railroad train.

Mr. Knowles (Winnipeg North Centre): A CNR train.

Mr. MacDonald (Egmont): A CNR train, that is correct.

Mr. Woolliams: Both you and Stan are about the same age!

Mr. MacDonald (Egmont): Yes, he is just reminding me of that. As I was saying, it is fascinating to realize that radio, that new and exciting means of communication, found its first home aboard a railroad car. What imaginative and daring people must have existed in the 1920s who not only placed radios in lounge cars but even began the first radio network. This was certainly an imaginative step to be taken by such daring individuals in the 1920s.

Mr. Knowles (Winnipeg North Centre): With an operator to keep them in good shape, too.

Mr. MacDonald (Egmont): I am reminded that there was an operator to keep them tuned in to the best programs of the day. Where are all the men of imagination and daring of the 1920s? I can only conclude they are 50 years older and are still sitting at the desks they were sitting at in the 1920s, never having had a new idea since. Who would think of doing such a dangerous and daring thing as placing a television set or a movie screen aboard a railroad car? That would be unheard of. Or who would think of supplying a stewardess?

Mr. Woolliams: Or even a janitor to clean up the floor.

Mr. MacDonald (Egmont): These are suggestions that must boggle the imagination of anyone who is responsible for passenger traffic on our railroads today. What has happened to all the old ideas? Or is it considered improper for a national institution like a railroad to do anything to entertain the traveller on short or long trips other than providing him with a *Reader's Digest* that is six months old or with bingo at ten o'clock? Certainly, this seems to be the sum total of their imagination at the present time. Somewhere in the dim and dark past the railroad apparently discovered that bingo was a good thing.

Mr. Woolliams: CPA have *Playboy* now.

[Mr. Peters.]

Mr. MacDonald (Egmont): Well, I will not get into that. Bingo is a good thing and the railroads feel it is an exciting diversion that satisfies every predilection of the travelling public. What utter, transparent nonsense!

I think it is time that somehow, somewhere, there be thorough shake-up of the individual and collective imaginations behind our nation's railroads. Perhaps in a way this is what the Canadian Transport Commission is trying to do when it suggests that the time has come for the general public to give its views on how the railroads tackle such things as the routing of trains, frequency of service, connections, times of departure, methods of providing meals, methods and cost of providing sleeping car service, fare levels, improved reservations and a whole host of other things that I will not bother to go into now. I sincerely hope that prior to the deadline announced by the commission of April 15, 1972, the general public in the Maritimes and Atlantic provinces inundate the Canadian Transport Commission with all kinds of suggestions.

The only place where there seems to be any kind of imagination shown, any suggestion that people might actually enjoy themselves while travelling on a train, is in these high-priced, glossy magazine advertisement that we see, or in some of the television commercials depicting happy, smiling, joking families having such a wonderful time aboard a railroad train in the dining car or lounge car. It is never made quite clear what they are enjoying, but obviously they are enjoying something. Perhaps it is time to call the bluff of the corporate bosses and ask them what the railroad plans to do to make passenger travel an exciting prospect for both long distance and short distance travellers.

• (2100)

Things are so bad in terms of the ability of the railways to adjust to the needs of passenger traffic that in Ontario the province is developing its own railroad to serve mass transit needs. The Go-transit system is Ontario's answer to failures on the part of the CNR. There are many examples of these shortcomings. One thinks of the commuter service operating between Ottawa and Montreal. I am not a regular user of this service but many members of this House are, and from time to time we hear laments, private and public, about the shortcomings of that service. Surely suggestions for improving it have been passed along often enough to merit a response.

I wish to turn now to another aspect of the responsibilities of the Canadian National, namely, the operation of the ferry service between Prince Edward Island and the mainland. There are few things of more vital concern to a Member of Parliament from Prince Edward Island than the efficiency of this ferry service. I do not want to be completely negative in my approach. I want to take this opportunity to say that one of the best things done by the CNR in connection with the service has been the complete structural change in terminal facilities at both Borden and Tormentine. The arrangements for both passengers and freight now represent a vast improvement over any we have previously known. This is an important development in providing a more humane and effective method of travelling to and from Prince Edward Island from the mainland.

Having said this, I want to make some specific suggestions with regard to improving the present service. I had occasion to use these terminals fairly recently and I can therefore speak from personal knowledge. There are two areas which need substantial improvement. The first is so obvious that it hardly needs mentioning. It arises from the fact that after ten o'clock in the evening there is no provision whatever for food or sustenance for those who might have to wait many hours for ferries. I cannot understand why, when they are so close to the operation, the CNR has allowed or compelled that restaurant service close at 10 p.m. while still operating the ferries until 1 a.m.

It would be bad enough if the ferries operated on a regular schedule. But everybody who knows this service knows that for a long period during the winter months one cannot be sure how long it will be before a ferry leaves or how long the crossing will take from either of the terminal centres. On some occasions people must wait five or six hours, well into the small hours of the morning, literally without food or drink to sustain them. Surely, inhumane conditions of this kind do not need to be perpetuated and a reasonable adjustment could be made in restaurant hours to provide necessary facilities required by travellers, particularly during the cold winter months.

My second criticism is of particular importance to those who use the service infrequently or rarely. There is a real paucity of information concerning the time at which ferries travel or what delays the traveller can expect. I arrived at one of the terminals the other night shortly after midnight and tried to find out whether the ferry would leave on time. For a long time I was unable to get this information. Finally, though, I was able to rouse an official who was occupied with quite another responsibility and he was able to tell me. Surely it would not take a great deal of effort or imagination to provide some way by which simple information could be given to the travelling public.

There is another matter I should raise in connection with the ferry service. A continuing bone of contention is the off and on again situation with regard to the *John Hamilton Gray*. Many hon. members will recall the concern expressed by Islanders when this vessel, the flagship of the fleet, was suddenly whisked away from the Prince Edward Island operation to the Newfoundland-Port aux Basques run. Islanders felt rightful indignation that a ship which had been constructed especially to operate between Prince Edward Island and New Brunswick should suddenly be plucked from that service to supplement a service for which it had not been constructed and for which it was not, in some respects, particularly suited. I am aware that the Minister of Transport is again considering relocating the *John Hamilton Gray* on the Newfoundland service in the summer months. I think this would be a move not happily accepted by Islanders.

I am even more concerned about the possibility that, having once gone into the Newfoundland service again, the vessel might stay there for an indefinite period and not return to Prince Edward Island next fall. Any suggestion of such a step would in my opinion be tantamount to a breach of the basic agreement in the constitution to provide continuous and effective communication between Prince Edward Island and the mainland. I cannot believe that any official in the Department of Transport would treat such a request seriously.

I ask the CNR to consider how it could ever discharge its duties in terms of the movement of heavy traffic during the winter months in the absence of a ship such as the *John Hamilton Gray*. It is crucial that the *Gray* be retained to handle the heavy movement of freight during the winter months. Moreover, in my opinion, it will be crucial, perhaps not this summer but in succeeding summers, to make use of the *Gray* to handle the tremendous annual increase in tourist traffic in Prince Edward Island. Any worsening of the service presently provided would amount to a great obstacle to the economic development and improvement of Prince Edward Island.

I wish to refer briefly to only one further question with regard to the legislation under discussion. This bill also encompasses grants of money for Air Canada. Prince Edward Island is a unique province in many ways. It is particularly unique in terms of air transport in that it is the only province not served by the national carrier, Air Canada. Prince Edward Island has never been served by Air Canada because our air transport requirements over the years have been met by regional carriers, first Maritime Central Airways and in more recent years Eastern Provincial.

• (2110)

There have been suggestions that Eastern Provincial will be altering its schedule shortly. It has an application to this effect. The application is to direct its main service from Charlottetown through Halifax and an intermediate point to Montreal. Such a step would certainly be a backward one. I have had the experience of representing an area, Summerside, in Prince County, Prince Edward Island, which has lost the air service previously provided by Eastern Provincial and before that by Maritime Central Airways. I would hope there is not an attempt on the part of the regional carrier to further downgrade the service provided out of the province itself by air.

Surely, if Prince Edward Island is faced with a deteriorating air service from this regional carrier there will deservedly be much more pressure for the national carrier to provide service to all ten provinces and not just nine as is presently the case. I would hope Air Canada as well would examine the air requirements from time to time which exist in Prince Edward Island, because I do not think it is inevitable that forever and a day the island should not be part of the national air transportation link. It might well be that on a trial basis Air Canada could well serve Prince Edward Island during the peak travel months of July and August. I believe this would be met with great favour by those who are increasingly using air transport to visit Prince Edward Island during the heavy tourist months.

Mr. Speaker, I conclude with the hope that Canadian National Railways, which has provided service internally to Prince Edward Island for years in the past, will continue to do so in the foreseeable future. Without the movement of railroad traffic it would be impossible to move internally or externally our heavy production in potatoes. I am concerned about the level of maintenance being put forward on the island roadbeds as they already exist. This

is a matter I hope to raise at a later date either in this House or in committee.

Mr. Frank Howard (Skeena): Mr. Speaker, I listened earlier to the hon. member for Vancouver Quadra (Mr. Deachman) and I immediately understood why he is referred to as the member for "Vancouver quandary," because he certainly was in a quandary when he was trying to talk about grain, grain movement, elevators and the like.

Mr. Deachman: Mr. Speaker, I rise on a question of privilege. I do not mind the hon. gentleman saying I am in a quandary. However, I come from a constituency in which we are proud of the name Vancouver Quadra, which commemorates the names of two great, gallant seamen. I do not particularly like it referred to as "Vancouver quandary." I do not refer to the hon. member's constituency in derogatory terms, and I know he feels as proud of his constituency as I do of mine. If he wants to say I am in a quandary, that is another matter. I will take my lumps in debate as well as give a few myself sometimes, but I think he should respect our constituencies and what they stand for.

Mr. Howard (Skeena): Mr. Speaker, I am rather pleased I gave the hon. gentleman an opportunity to say something worth while for a change. Perhaps he was not listening. I do not wish to continue this sort of argument, but I said that after listening to him it is no wonder many of his colleagues call him the hon. member for "Vancouver quandary." I did not suggest that was the name of the constituency. The hon. member's oversensitivity ran away with his good judgment.

When I first moved up to north central British Columbia many years ago, Canadian National Railways used to operate a train between Jasper, Alberta, and Prince Rupert, the terminus on the coast, on a three-day a week basis. One day it went westbound and the next day it went eastbound and the seventh day was day of rest. After that a bit of progress was made and the passenger train expanded its operations to run six days each way. In other words, we had a train each day, one going east and one going west.

In recent years the Canadian National has seen fit to revert to that earlier time when there was a smaller population and less industrial activity than there is now. We are back on a three-day schedule, and have been for quite a number of years now except during the peak summer months of tourist traffic. It was always my impression that the Canadian National was an organization that always looked backward, but I see from the revelations about radio and things like that that it did not look back far enough in order to find some inspiration to do something worth while for the nation.

At one time it was a pretty proud occupation, and still is, to be a railroader. Railroaders had good morale, a good feeling, good comradeship and loyalty to the company, particularly in the Canadian National. There was a dedication of the individual to the efficient functioning and operation of the railway. The people who worked for the railway were very proud to be railroaders and proud to be working for that particular company. I do not know when the change took place, but there was a coincidental, if nothing else, deterioration in the level of service, a decline in the morale and feeling of railroaders at about the same time the late Donald Gordon took over the reins of the CNR and became its president.

I think this was probably because of the attitude of Donald Gordon, the attitude about centralization of authority in the CNR, the attitude of computerizing the operations, the attitude of using a slide-rule and not being concerned so much with the actual functioning and operation of the railway, and the attitude about lay-offs and curtailment of service as well as everything else. In other words, there was an indication to the people who worked on the railway that Donald Gordon as the president was really not very interested in the people who worked as railroaders. There was not the old spirit at the top, and it filtered down on the men and destroyed the morale and efficient functioning of the Canadian National itself.

An hon. Member: It reflected government policy.

Mr. Howard (Skeena): One of my colleagues tells me it was a reflection of government policy. That may well be so. We know Donald Gordon was one of the dollar-a-year men during the war years, and perhaps the disinterest of Mackenzie King rubbed off on him.

• (2120)

As everyone says, in northern British Columbia we have a fantastic amount of natural wealth, fantastic amounts of minerals, timber, lumber, pulp and paper and everything that flows from that. We have an agricultural potential and a hydroelectric potential for industrial activity which abounds all over that country. The Canadian National Railways has an industrial development branch, section or division which in theory is supposed to concern itself with industrial development.

So far—and this is within the limited years of my knowledge of what they do—the CN has ignored completely whatever potential exists in the area from which I come and, I gather, in other areas as well. While the Canadian National theoretically has concern about industrial development, engineering and structuring its activity to provide development and job opportunities for people, it has completely ignored it and has operated on a kind of single-track mentality without any regard whatever for what its function should be.

Northward from the community called Hazelton, which in B.C. is the northernmost point on the CN line, some time during the early years of the Second World War—this would be about 30 years ago now—there was a designation made of a route classified as route A. It was a wartime concept, the hope being that this was one of the north-south routes that could be used to tie Alaska with the southern continental part of the U.S. and help better to prosecute the war effort. Finally, a different route was used, of course—namely, the Alaska highway.

The point I am trying to make is that 30 years ago this route was conceived and on quite a number of occasions since then, and in the latter years particularly, the CN has had engineers in that area who have conducted surveys. It was the Department of Transport, I believe, which contracted an engineering firm by the name of Menzies a few

years ago which conducted an extensive survey in the area for a potential northward line of the CN to open up that part of the country in the northern 500 miles of B.C.

There have been studies upon studies upon examinations of considerations, engineering reports and heaven knows what other kind of examination made of that type of extension, but no activity, no action, no concrete proposals and no attempts whatever to really do something about it. During the time that Jack Pickersgill was minister of transport, I wrote him a letter. This was before he got that cushy job for himself paying him $40,000 a year or something like that. The money is insignificant to Mr. Pickersgill. He was not concerned about the money. He was just concerned about finding an area for retirement for himself where he would not have to do anything, and he succeeded because it is he who conceived the legislation that created the job to which he got himself appointed after the legislation was passed.

However, I do not want to get involved in that sort of discussion about Mr. Pickersgill. I like him very much. In fact, I wrote letters to him when he was minister of transport in that informal way in which friends can write to each other. I started, "Dear Jack" and I related to him what was and what should be going on in B.C. about this extension, and I asked whether he would do something about it. I got a delightful letter back in which he wrote, "Dear Frank". It acknowledged my letter and told me that this had nothing to do with his department and that I should get in touch with Canadian National: they were the ones who were in the business of building railways, not him.

So I wrote CN and used almost the same phraseology. I said, "Here is the situation, here is the potential, here is the area, here is what is necessary. How about doing it?" The reply I received from CN was that they were not involved in that sort of activity. They suggested that I get hold of the Department of Transport and the minister because this was a matter of government policy. This running around back and forth between the government and CN has resulted in no activity taking place in terms of railroad development in that area where it can really be worth while.

Let us take a contrasting situation to put this matter in perspective. In my own province we have another socialistically-operated railroad which used to be called Pacific Great Eastern. The Pacific Great Eastern Railway right at the moment, and all credit to them, are building a railroad extension in exactly the same area into which we have been trying to push CN for a number of years. At one stage a premier of my province, who was also president of the PGE railroad, offered to buy the CN north line because he saw what the potential was. I cannot understand the reluctance on the part of the government, because they were not interested in that operation in the first place. I do not know why they did not enter into negotiations to sell the railroad, because now we have the ludicrous situation of PGE building a railroad extension northward from Prince George which for quite a distance parallels the Canadian National line after which it branches off in a northwesterly direction.

The question arises now: What happens to the Canadian National line, and what happens to Prince Rupert as a potential port for shipment of goods and materials in and out of that port? Is it going to be over the CN line, or will the Pacific Great Eastern—a provincially-owned and operated railway which is still building the extension where the CN should have built it, because the CN was in that area long before PGE was—manage all the traffic in and out of that area?

If I was running PGE I would want all the traffic possible to move over that railroad as distinct from trying to get it over the CN. I understand that some discussions are taking place, but what they are nobody seems to know at the moment or at least they do not want to say. I think this points out that the CNR really has not concerned itself too much about what it should be providing Canadians. It is a publicly-owned corporation and a publicly-owned railway, and undoubtedly its lack of concern reflects what successive governments have imparted to it.

Mr. Benjamin: They do not believe that.

Mr. Howard (Skeena): No, I guess they do not believe it. They probably do not believe in doing something worth while for Canada either. Consider the port of Prince Rupert. The CNR controls the waterfront in Prince Rupert. I do not know how much property they have along there, but the train runs in and out right along the waterfront and the CN has big blocks of property there under its authority and control. Each time there has been an attempt of any kind at port development in the city of Prince Rupert, in one of the finest harbours on the west coast, it has been blocked by the Canadian National. Each time a proposal has been put forward to do something worth while with that port, the Canadian National, which controls the waterfront, has said, "We are not interested in doing anything—in assisting, in giving up prerogative rights or doing anything at all worth while to develop the port."

• (2130)

The people in charge of Canadian National refuse to budge. Now they are in the process of closing some of the stations in communities that do not even have adequate road transportation and in some cases are on the off-side of the river from the highway and depend desperately on station agents and having a station operative at those points. But it is the intention of the Canadian National to close them, to ignore those communities and disregard the legitimate needs, desires and claims of the people who live in them—all for the purpose of trying to consolidate everything into these servo-centres that Canadian National now has.

With respect to Prince Rupert, I wonder if I could speculate for a moment about the attitude of the Minister of Justice (Mr. Lang) in his capacity of dealing with the Wheat Board. I do not know how many times it has occurred, Mr. Speaker, but on almost innumerable occasions matters have been raised about the terminal elevators on the west coast and about the shipment of grain, why the ports cannot be operated more efficiently and more effectively, why there have to be blockages, hold-ups and delays, why grain cannot move through these ports and elevators, why we cannot meet our commitments to world trade, why we cannot give guarantees to

countries which have been told, "Not only will we sell you grain, but we will see to it that it is delivered."

Every time these questions are raised the minister stands up and talks about some place called the port of Vancouver, as if that were the only community in British Columbia. He is the head of the Canadian Wheat Board. He is a member of a federal government party that in 1926 built, and a few years ago doubled the capacity of, owns, operates and runs a terminal grain elevator in the city of Prince Rupert, an elevator that is under-used, that has a capacity that is not used to the limit, that sits idle without ships available for it, without boxcars or grain available for it at certain times of the year, while the city of Vancouver and Vancouver harbour, right outside in English Bay, upwards of a dozen or more grain ships are sitting and waiting either to get into the elevators or waiting because there is not sufficient grain. The same government that gives that response about Vancouver being the only port through which it thinks it can ship grain, on behalf of the people of Canada owns a railroad that runs right into Prince Rupert and owns a terminal elevator as well—but it ignores its operation and use. That is not being Canadian. That is not being helpful to our economy. That is not trying to do things that are worth while. In fact, that is putting an obstacle in the way of progress, in the way of any worth while use of these facilities.

It took a tremendous amount of effort, through two successive governments and I don't know how many ministers of agriculture within the last 12 years, to move the Canadian government to duplicate and double the storage capacity of the elevator in Prince Rupert. If the government really wanted to do something valuable, helpful and worth while for the shipment and movement of grain, which in turn would be helpful to the prairie provinces, helpful to the farmers, helpful to our commitments to world markets, helpful to the railroad—the Canadian National, because it would be moving the grain—helpful to Prince Rupert and helpful to the people of Prince Rupert who would be working in the grain handling facilities there, the government itself should have been working three or four years ago to build additional elevators in Prince Rupert in order to help take the pressure off Vancouver, if that is where the difficulty, the bottleneck, really is. But as I say, Mr. Speaker, the Canadian National and the government seem to have a one-track mind when it comes to the question of doing anything valuable and worth while.

Now I would like to mention in a more broad and national sense one of the things we are concerned about and were concerned about previously, namely, the financial structure of the CNR. As I understand it, the CNR came into existence as a company that incorporated a number of privately-owned, and at that time privately-being-built railroads that had gone bankrupt. The Canadian government at the time of the setting up of the Canadian National said to the investors in those bankrupt railroads, "Never fear; we will bail you out. We will take over your lines. We will guarantee your investment even though the private corporation in which you invested has gone broke or bankrupt and in some cases has probably fleeced you as investors. We, on behalf of the Canadian taxpayers, will take you over, consolidate you all into one railroad and guarantee your investment, guarantee to pay the bond interest and guarantee you won't lose your money."

I gather that one of the fundamental, principle points of the capitalist system concerns the question of risk capital. You risk your money in private ventures. You invest it, naturally in the hope that this will bring a return, but you take the risk that if the company you invest in goes bankrupt then that is too bad and you have lost your money. But the Canadian government at that time, and successive governments since then, did not really believe in that because they had friends amongst those investors, and governments of the time and ever since then have said to those old-time investors, "Never fear; we will dip into the taxpayers' pockets and we will guarantee your investment. We will guarantee to pay the interest on the money that you have put into these defunct and bankrupt railways." So we took them over and the result has been largely a millstone around the neck of the Canadian National in its financial structure.

Over the years, those original indebtednesses have been refinanced and other bonds issued until it is virtually impossible, without a fleet of chartered accountants going over the books, to find out what the original investment was and how much money was sucked out of the Canadian taxpayer who, through this system of government guaranteeing to those people—most of whom, I understand, were in England at that time—guaranteed that even though they had lost their money in a poor venture they, the Canadian taxpayers, would give it back to them. We went through all this a couple of years ago in trying to assess the financial position of the Canadian National when a similar bill was being dealt with. At that time we also went into extensive questioning about the Canadian National pension fund and the fact that that pension fund had millions of dollars in it of employees' contributions but is dominated by the Canadian National. The money in that fund is what the employees put into it, but it is Canadian National that decides what will happen to the fund.

We made some committee recommendations a few years ago about a couple of these items. Hon. members may wonder how that happened. One of the preludes to it was a CNR financing bill, as we loosely call it, that was before the House at the time. There was a deadline and a timetable, and speaking from memory it was December 31, 1969. Those of us who were interested in this denial of justice to CN employees of pension rights and pension contributions, and in the operations of the board, and those of us who were concerned about the ludicrous financial structure of the CN which makes it top heavy and always losing money, wanted to do something about it to see if it could be corrected. We engaged in a filibuster, that being the only mechanism with which to get any common sense through to the government of the day.

• (2140)

On December 10, 1969, as a result of our continued efforts, though mostly because of that approaching deadline of the end of the year, the government agreed to refer to a parliamentary committee the financial structure of the CN and the operation of the pension fund. The Standing Committee on Transport and Communications examined these matters in some detail. The report dated Sep-

tember 8, 1970, went into a number of those questions. It went into the fact that Canadian National Railways chose the chairman of the pension board and decided on the secretary or executive officer of the fund. It went into the fact that there are seven men on the pension board, four of whom are directors of CN and three are elected from the employees. It went into all this in great detail and made recommendations. With respect to the pension fund and the pension board, right at the beginning the report reads:

> It soon became evident to the committee members that there was a widespread and strongly felt dissatisfaction with the CN pension plans among the railway's employees—

The committee concluded that it was not fair nor just to have a pension board handling millions of dollars of employees' contributions; to have a pension board dominated by the company; that it was wrong that the chairman of that board should be a director of the company; that the chairman was not an impartial person; that the chairman had a vested interest in preserving the position of the Canadian National and disregarding the position of the employees and their pension rights; that the chairman was unfair and unjust in his dealings with those employees in regard to the pension fund. The only reason the committee was able to come to those conclusions based on the evidence presented was that some of us made life miserable for the government when it was trying to get the bill through the House. We wrung from the government a reluctant referral to that committee, otherwise there would have been no report. We see now that the referral to the committee was really a put-off, that the government was not sincere and did not care about justice for the employees.

Mr. Gleave: It never did.

Mr. Howard (Skeena): It said so at the time. I do not remember what office the President of the Privy Council (Mr. MacEachen) occupied then, but I do remember that he said the government recognized the difficulties of the older employees on pensions and those on pensions right, and that he recognized the CN had difficulty with its financial structure. He moved the motion for referral to committee, and it was passed.

The committee made recommendations and concluded that the chairman of the pension board was unfair, unjust, dictatorial and concerned only with the Canadian National part of the pension fund and not concerned with the well-being of the employees. It recommended that the unions involved and the CN each choose an equal number of representatives to serve on the pension board and that an impartial chairman be appointed, "probably by a minister of the Crown".

That recommendation is as valid today as it was then, Mr. Speaker, but it has been ignored by the government that said it was going to do something about it. Obviously, the government was concerned only with cheating the employees of the CN; it was concerned only with cheating those who were on pensions and were denied fair treatment by the fund.

The committee pointed out that there was an annual surplus of some $7 million. Multiply that by the number of years the fund has been in effect—the report was made in 1970, so presumably there was $7 million in 1969 as well, and in 1970 and in 1971—and that amounts to $21 million. Every member of that committee recognized that justice had to be done to those who were on pension and recommended that the $7 million annual surplus be used to establish a new pension level for the old-time railroaders who went on pension under a less generous plan than now exists. In other words, it should bring them up to a meaningful amount of pension. That also has been ignored. That means nothing more than the government cheating people, the government flying in the face of an unanimous recommendation of the committee.

As I said earlier, Mr. Speaker, this matter was referred to the committee because some members of this House who were concerned engaged in a filibuster and because there was a deadline for the passing of that bill—the end of 1969. Nothing definite has come out of that examination. The recommendations have been ignored by the CN, by the Prime Minister (Mr. Trudeau) and his tribe of professional ignorers of almost everything.

We want to get some action and activity from this bill. We do not think it is sufficient for members to stand in the House and talk about the things they are concerned about in their constituencies, valid as those things are. We all know that if the government sets its mind to something it will get it through Parliament even if it has to ram it through, as happened with the tax bill. We all know that logic, common sense, reason, appeals to justice and fair play fall on deaf ears. We all know that speeches in this House go over the heads of the government because their minds have been set beforehand—they have a determination about what the government intends to do and will not listen to another point of view.

We are concerned, as well, about Canadians on pension, about the financial structure of the company and about things like the movement of grain, improper freight rates, about how the public is gouged on freight rates, about railway abandonment proposals, about the curtailment of passenger service and the level of that service. We are also concerned about the servo-centres, about lay-offs and about the destruction of communities resulting from removing from them stations, station agents and railway service.

• (2150)

I do not know whether there is any deadline for this bill. I do not know whether the deadline is the end of this month—nobody has yet said—or any other time. I think there is a deadline in that the government wishes to get on with other legislative matters. I am sure there are other bills the government wants to get through the House, otherwise they would not be on the order paper and the government would not have introduced them.

Whether there is a deadline at the end of the month because that is the end of the fiscal year, or whether there is a deadline in terms of the government's own priorities, I think we should indicate to those government supporters who want to listen or who want to read *Hansard* that if we have to engage in a filibuster in order to get the valid and worth-while recommendations of the Standing Committee on Transport and Communications made on September 8, 1970, accepted, we will just have to engage in a filibuster.

Proceedings on Adjournment Motion

If we have to engage in a filibuster in the House and in committee to deal with the freight rate structure, the rationalization of that structure, the abandonment of service, the level of service and all the other negative things that Canadian National has engaged in, that is what we will have to do. I do not relish the prospect of engaging in filibuster tactics any more than anybody else. However, in a situation where logic, common sense and reason do not prevail, where the valid complaints of citizens of Canada are unheeded by a government that has a mentality like concrete—well mixed and well set—the only course available to us is confrontation. If filibuster and obstruction tactics are the only way to get at the meat of the situation, then let us engage in them. If that is the kind of game the government wants to play, that is the kind of game we will have to play, either until the demands of the people meet with success or until the government decides to call an election or do whatever it wants. That seems to be the only course available.

Reluctant as we are to waste our time, the time of the House and the time of committees, that is the course we shall have to follow in dealing with these matters. The primary consideration—I know that this may sound foreign to the government benches—is justice. Justice must prevail. Let us attempt to get it.

Mr. McQuaid: Mr. Speaker, may I call it ten o'clock?

Some hon. Members: Agreed.

Mr. Deputy Speaker: Is there unanimous consent that the hon. member call it ten o'clock?

Some hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

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

ADMINISTRATION OF JUSTICE—RELEASE OF YVES GEOFFROY FROM ST. VINCENT DE PAUL PENITENTIARY—INQUIRY AS TO ADVICE FROM SECURITY PLANNING AND RESEARCH GROUP

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, on February 29 I directed a question to the Solicitor General (Mr. Goyer) for which I have received no reply so far. It had to do with any advice that he is deemed to have received from the security planning and research group, as he called it in his statement of September 21, 1971, on page 8027 of *Hansard*. Previous to that occasion I had asked the Solicitor General a question on December 28 of last year to which I received what I considered an unsatisfactory answer. The minister so much as said that if I would like to check *Hansard* I would find all the information I would require with regard to this group for which the Solicitor General is responsible. In other words I was told to do my homework.

I checked through *Hansard*. I specifically checked the editions of April 1, 1971, September 7, 1971, September 9, 1971 and also the minister's statement given to this House on September 21 of that year. With all due deference, Mr. Speaker, the answers to the questions I had asked were not there. So at this time, as a result of the minister's inordinate preoccupation with keeping the functioning of this particular group secret, I should like to put on record a number of other questions in the hope that an early answer will be provided in this House when estimates are considered or on some other occasion.

First, I request that the government table the job description which appeared in British Columbia outling the functions of the first job available in British Columbia for this new, so-called group or intelligence branch as one might refer to it. Second, is the Solicitor General aware of representations made by the British Columbia Federation of Labour criticizing the entire notion of the establishment of this branch? Third, could the Solicitor General also outline the organizational basis of this unit? Will it be organized regionally or will it be organized on the basis of provinces? Fourth, has the Canadian Civil Liberties Union made any comments on the establishment of this group? Have civil libertarians in general brought their position to the attention of the minister?

Fifth, does the group investigate on its own initiative? Sixth, who has access to the files? Do other departments, for example, have access to the files of this division? Can these files be used as the basis for discrimination against individuals or groups applying for federal government jobs or grants in other fields? Seventh, I should also like to ask whether the subjects who are being investigated or evaluated are informed about this process. How long will this information stay in the records of this group for which the Solicitor General is responsible? Eighth, what kind of protection will be afforded to individuals or groups that potentially are being investigated. Ninth, was the justice department's advice solicited on the establishment of this security planning and research group or organization?

Tenth, will they share their files with the ministry of justice? Eleventh, how long will any investigation remain on file? Twelfth, I should like to ask if the advice of this group will transcend the advice of other divisions. Thirteenth, who gathers the information for this group to evaluate. Is it gathered by this particular group, is it gathered by the RCMP, and what are its terms of reference? Fourteenth, I should like to know how this group will make a distinction between anyone promoting social change and someone promoting subversion. My last and fifteenth question is, does this group intend to investigate individuals or groups regarding the objects of such individuals or groups who have received DREE grants, LIP grants or Opportunities for Youth grants which, after all, can be used and are being used in some cases for the promotion of social change?

It seems to me that there are so many questions that need to be answered about this group that it is time we paid more attention to the basis on which it has been set up and under which it operates. The minister's inordinate preoccupation with being secretive about this group probably is doing it a disservice and is perhaps hindering it from fulfilling the function for which it was formed.

Mr. Douglas A. Hogarth (Parliamentary Secretary to Solicitor General): Mr. Speaker, as the hon. member knows, the security planning and research group in the Department of the Solicitor General has not participated in any way whatsoever with respect to the so-called Geoffroy case. In suggesting in his question that the group would be giving advice to the Solicitor General (Mr. Goyer) regarding the penitentiary service and parole board, the hon. member has totally misconstrued the remarks made by the Solicitor General on September 21 of last year with respect to the function of this group. I would invite the hon. member to re-read the remarks made by the Solicitor General at that time and he will see that this group is engaged in studies and analyses of information pertaining only to internal security and not to such matters as are involved in the Geoffroy case.

If the hon. member were to re-read carefully the remarks made by the Solicitor General he would see that many of the questions that this evening he has added to his original question have been answered. As he is aware, the extreme time limitation imposed on me this evening and the lack of prior notice of his questions prevent my giving an adequate answer at this time. I suggest that the hon. member attend the appropriate committee when the estimates of the Solicitor General are before the House. At that time he will have an opportunity to extend the questions he has put on the record tonight.

• (2200)

It seems odd that there is so much mystery over this particular group. When the supplementary estimates were before the House last fall and the matter came before the committee, none of the questions put by the hon. member were presented to the Solicitor General.

TRANSPORT—SUGGESTED DELAY IN CLOSING OF CERTAIN SASKATCHEWAN STATIONS

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, on February 29 I asked the Minister of Transport (Mr. Jamieson) a question regarding the suggested delay in closing certain Saskatchewan stations in so far as the customer service plan is concerned. At that time he said he would be glad to sift through all questions in *Hansard* to find the various representations and would do his best to follow them up. I hope the parliamentary secretary can indicate tonight that he has sifted through and followed up the suggestions in the questions asked.

We hear a lot about industrial peace. We hear a lot about a government and a labour department that wants good labour-management relationships. We read and listen to pious remarks about proper recognition of the rights of labour and the rights of management. Then we see and read a decision by the railway transport committee concerning the removal of 56 agents, nine caretakers and four caretaker-agents from Saskatchewan and four agents and three caretakers from stations in the province of Alberta, all from the Canadian Pacific Railway Company.

What are the facts, and why would one be concerned after a review by the railway transport committee which rubber-stamped the earlier decision? The review was held at three points in Saskatchewan, Saskatoon, Battleford and Wynyard from December 1 to December 11, 1971. Hundreds of pages of testimony were heard by one commissioner. The commissioner repeated the fact he was taking and listening to testimony from all the witnesses and at a later date this evidence would be considered by other members of the commission and a decision rendered. On February 10 a decision was handed down rescinding the application by the government of Saskatchewan and giving the CPR the go ahead to implement its customer service plan on March 16.

What happened then, and why did it happen? The CPR moved ahead without regard to the social element involved in such an implementation. Can one imagine such inhumane treatment to employees expected to move their families if they wanted to be with them in the middle of March? Can you imagine a wife trying to shovel coal and haul ashes from some old, hand-fired furnace while her husband is hundreds of miles away if in fact he is one of the 50 per cent who may be still fortunate enough to have a job? Why did the commission not recognize the social consequences of long-standing employees and their families? What type of society do we live in, with such callous treatment from the hands of appointed boards and employers?

On the other hand, on the Laurentian division in Quebec an order approving the customer-service plan was handed down on January 17. However, the CPR is not implementing that service until May 1, which is realistic. Why the inconsistency in these two applications as far as implementation is concerned? Can the minister not have some input into a reasonable approach to such changes? Cannot the Minister of Labour (Mr. O'Connell) or his industry specialists bring reason and consideration to bear on the railway company? Are we concerned about industrial peace, or do we not give a damn? Surely there is responsibility on the part of government to use all means to bring about fair and proper treatment. Surely this government can move on its own initiative and not let an unfeeling and cold decision develop into bitterness and strife on our railroad.

All I ask is that this government, the minister and the parliamentary secretary use their authority to at least delay the implementation of the Saskatoon customer-service plan until June so at least families can make plans for the disruption which is evident. Let us not hear an argument quoting how people can appeal the decision. Surely there is room for reasonable men to deal with a reasonable proposal. Surely two months is not an unrealistic time to ask for in this situation.

I ask the parliamentary secretary tonight to make some representations to his minister. I ask him at least to get the minister to re-read the question I asked in this House on February 29 and to try to bring about a reasonable solution to a situation that could erupt into direct conflict between management and labour, which would not do either the nation or the economy any good whatever.

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I wish to thank the hon. member for Moose Jaw (Mr. Skoberg) for the opportunity of responding to this question. I know it is an important matter to him and to other hon. members.

The customer-service centre concept is one which is being applied widely in Canada and south of the border. I am told that it is an effective and efficient way of doing business with the railways in this fast-moving age. I understand that the many employees who exercise their seniority rights for the new positions which are created by the plan consider the new jobs very attractive and challenging.

On the general question, I am sure the hon. member is aware of the assurance which was received from the Canadian Transport Commission. I made it clear at this hour on February 22 on a question by the hon. member for Regina East (Mr. Burton) and the Minister of Transport (Mr. Jamieson) reiterated it during the question period a few days later. It is essential to this matter. The assurance which was received from the CTC was that any and every specific complaint that the CPR is not carrying out any of the undertakings given the commission and set out in the decision will be investigated promptly and remedial action will be taken wherever warranted.

One of the specific items raised by the hon. member was the effective date of implementation. There is no evidence of an effective date of implementation in any of the CTC's orders which I have seen. This is a decision which the railway must make, taking into account their collective agreement with their employees. As of the date of the initial decision on such applications, the employees must be given 90 days' notice.

Mr. Skoberg: Thirty days.

Mr. Duquet: My information is 90 days. The hon. member has made a number of points which I will be glad to refer to the Minister of Transport. In addition, I can inform him that Canadian Pacific Railway is aware of his representation to the Minister.

[*Translation*]

HOUSING—POINTE-GATINEAU—LA FERME DU BARON PROJECT—REQUEST THAT OWNERS BE COMPENSATED

Mr. Gérard Laprise (Abitibi): Mr. Speaker, on March 3 last, I tried to find out from the government what attitude it would adopt in the face of the justified discontent of the owners of the housing development La Ferme le Baron at Pointe-Gatineau.

Having had no reply, I return to the charge this evening to bring home to the government—if that is possible—what I consider to be the worst injustice towards low-income families.

In recent years, under the cover of the National Housing Act, the government has undertaken mass production of slums. I say slums because I visited the housing development La Ferme le Baron while it was being built, in April 1971, and I saw what kind of construction was going on. What is more, this is not the only housing project that offers those characteristics.

I was astonished by what I saw. It was the first time that I saw outside doors with running water inside. The newspaper *Le Droit* reported the matter recently after having pointed out the defects of those dwellings, namely extreme humidity, lack of insulation, water back-flow in basements and nonstandard party walls.

The builder simply replied: They only have to improve their ventilation system. Well, it is as simple as that! The builder is not the only one to blame. What he did in Pointe-Gatineau others have done elsewhere with the approval of some officials of the Central Mortgage and Housing Corporation.

When some builders are asked to draw up low income housing projects, they are told: Provide as little as possible. Do not build any sidewalk or cement stoop. When the owner will be tired of walking in the mud, he will build one. Hang interior rather than exterior doors, he will never know the difference. Yet, when he does realize this, he will have to replace two doors which will cost him from $300 to $400.

Mr. Speaker, home purchasers in the Le Baron project have been cheated, with the complicity of the Central Mortgage and Housing Corporation. I ask that justice be rendered to the homeowners who believe that they were purchasing a house meeting the major house-building standards, not only in the Le Baron project, but elsewhere also. It is not logical to let houses be built without supervision. That opens the door to all kinds of abuse.

On all house construction sites, sponsored by the Central Mortgage and Housing Corporation, qualified and responsible supervisors should be appointed to protect the purchasers.

The Minister of Consumer and Corporate Affairs (Mr. Andras) is doing a fairly good job of protecting consumers against faulty products and misleading publicity, but in the field of housing, the purchaser is left without protection. What are the government's intentions in this regard?

• (2210)

[*English*]

Mr. David Weatherhead (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, I wish to thank the hon. member for Abitibi (Mr. Laprise) for bringing this important question to the attention of the House.

As hon. members may know, this housing project consists of approximately 575 single-storey units of which 51 are of conventional wood-frame construction and the balance of 525 in the form of quadrexes which involve a different system of building. Each quadrex contains four units, each of which shares two common party walls. The walls, floors and roofs are constructed of metal panel manufactured by ARMCO Canada Limited. The project, located in the northeast part of Pointe Gatineau, was one of the earliest proposals received in 1970 by CMHC under the $200 million program. At that time, with its proposed sale price of $10,900 the proposed 300 unit project was one of the first to raise hopes that a breakthrough into lower cost housing was possible.

Construction started in 1970 and was followed in 1971 by a further 147 units being financed by an approved lender and the remaining 128 units financed by CMHC. On December 24, 1971, half the roof and the front end of one of the quadrexes was torn off by wind. The builder, DuBarry Construction Limited, ensured that the needs of

the occupants were taken care of and an immediate investigation was made in order to ascertain the reasons for this occurring, because only one building was affected. As a result of discussions between ARMCO Canada Limited, Quadrex Canada Limited, DuBarry Construction Ltée and CMHC, a method of strengthening was agreed upon and was implemented. No further problem is therefore expected in this area.

However, homeowner concern has arisen because of condensation problems and has led to representations by the homeowners' association. Basically, the problem is how to minimize excessive humidity levels created by normal living in houses that are tightly sealed. One method is to ventilate the house by opening windows and doors periodically, but this course of action does not usually appeal to homeowners. In eight of the units with the most severe problems, a system of mechanical ventilation is being tried. At the moment it is uncertain whether the problem has been overcome to the extent possible in these electrically heated homes. A meeting of the builder, the homeowners and CMHC was held on February 26 and a further meeting was held on March 2 with the homeowners association executive.

Mr. Deputy Speaker: Order. I regret having to interrupt the hon. gentleman but his time has expired.

Motion agreed to and the House adjourned at 10.16 p.m.

HOUSE OF COMMONS

Friday, March 10, 1972

The House met at 11 a.m.

PRIVILEGE

MOTIONS ARISING OUT OF DELAY IN TABLING AUDITOR GENERAL'S REPORT—RULING BY MR. SPEAKER

Mr. Speaker: Yesterday the Chair received five notices of questions of privilege under Standing Order 17. All five were related to one or another aspect of the tabling of the Auditor General's report, and to references that had been made in debate to the delay in filing last year's report. In his reply, the President of the Privy Council agreed to sponsor one of the motions and it was unanimously agreed that the matter in dispute would be referred to the Public Accounts Committee.

At the suggestion of the Leader of the Opposition, the Chair agreed to give further consideration to the other motions although it was pointed out that it would be difficult not to take into account that one of the several methods for proceeding proposed by hon. members had been agreed to by the whole House. To some extent, at least, consideration of the alternative proposals has to be somewhat theoretical; traditionally, the Chair is reluctant to make procedural rulings in such circumstances. I will therefore be very brief, which I hope will not be a reflection on the importance of the matter raised by the hon. members who presented motions to the Chair under the terms of Standing Order 17.

One of the suggestions made yesterday is that a charge against a senior public servant gives rise to a question of privilege. Hon. members know that there have been many instances over the years where accusations or charges have been made in relation to senior public servants. The Chair has never condoned such actions. Indeed, just a few weeks ago I suggested that a motion under Standing Order 43 was irregular to the extent that it contained charges against the chairman of the Public Service Commission. It was not my view, however, that the question was one of privilege, but rather one of procedural order. In the matter before us now, I would agree again that it is irregular for any hon. member to make a charge, directly or indirectly, against a senior public official in the service of the government or of parliament. I refer hon. members to citation 152(4) of Beauchesne's Fourth Edition, as follows:

> All references to judges and courts of justice and to personages of high official station, of the nature of personal attack and censure, have always been considered unparliamentary, and the Speakers of the British and Canadian Houses have always treated them as breaches of order.

The Chair is in full agreement with the citation, and I would hope that hon. members would remember that the practice is based on simple common sense and fair play. Hon. members will note, however, that there is no suggestion, either in the Beauchesne citation or anywhere in our precedents, that such breaches of order are tantamount to breaches of privilege.

• (1110)

With respect, I cannot accept the interesting suggestion that parliamentary privilege extends to senior officials, be they senior officials of parliament or of government.

Privilege, as hon. members know, is the sum of the special rights enjoyed by members over and beyond the rights enjoyed by other citizens under the common law. Without going into further detail on the definition of parliamentary privilege, I think it should be noted that it has never been deemed to extend to officials or servants of parliament.

The second aspect of this question is the interesting proposition advanced by the hon. member for Peace River that it would be a breach of privilege to impede hon. members in the discharge of their duties to deny the Auditor General adequate working facilities.

In the course of argument it was indicated that this is not a new complaint but has reference rather to a situation which is alleged to have obtained for some time. This, it seems to me, has to be viewed much more as a matter of administration than as one of parliamentary privilege.

In this respect, the complaint should be considered by way of substantive motion rather than under the guise of privilege. Alternatively, such grievances can be studied by an appropriate committee of the House, which is precisely the action which the House unanimously endorsed yesterday.

For these reasons, I have come to the conclusion that I cannot put this question to the House as one of a prima facie case of breach of parliamentary privilege. I remind hon. members that this is not a decision on the substance of the matter but one only on procedure, which is the limit of the Speaker's responsibility in such matters. In this respect, I refer hon. members to a decision of Mr. Speaker Michener who, having refused to put a motion as one of privilege, concluded his ruling with the following words which I believe apply to the present ruling. I quote from the *Journals* of June 19, 1959, at page 586:

> In finding that a question of the privileges of the House is not prima facie involved in this motion, I am making a procedural decision the effect of which will not prevent the further discussion by the House of the matters in issue. The effect is to refuse precedence to this discussion but not to prevent it. No barrier is raised to the presentation of this matter under different circumstances on another occasion. For example, the subject matter could be brought before the House as an amendment to the next motion to go into supply.

These words of a learned and distinguished former Speaker apply very well to the present situation.

ROUTINE PROCEEDINGS

ENERGY

TABLING OF CORRESPONDENCE BETWEEN FEDERAL AND ALBERTA GOVERNMENTS ON MATTERS OF POLICY

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I should like to lay on the table copies of correspondence between the government of Canada and the government of Alberta having to do with the relationship between the two governments in energy policy matters.

* * *

FINANCE

DISCOUNTING OF GOVERNMENT CHEQUES AT USURIOUS INTEREST RATES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Doug Rowland (Selkirk): Mr. Speaker, under the provisions of Standing Order 43 I wish to make a motion which relates to the lending of money at usuriously high rates of interest of up to 1,000 per cent against the anticipated receipt of unemployment insurance cheques, income tax rebates, pension cheques and other benefits provided by law, a practice which I first drew to the attention of the government in early February. I would therefore move, since persons engaged in the practice can only operate as a result of a legal loophole:

That in the opinion of this House the government should immediately bring forward legislation which would ensure that the practice of discounting government payments to individuals, at usurious rates of interest to the recipients of benefits provided by law, is placed under the provisions of the Small Loans Act.

Some hon. Members: Hear, hear!

Mr. Speaker: Hon. members have heard the motion proposed by the hon. member for Selkirk. It requires the unanimous consent of the House. Is there such consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

ORAL QUESTION PERIOD

FINANCE

UPWARD MOVEMENT OF CANADIAN DOLLAR—GOVERNMENT POLICY—CANADIAN OPTIONS—PLANS TO ASSIST INDUSTRIES PREJUDICIALLY AFFECTED

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Acting Prime Minister. I am sure he is sufficiently familiar with the subject to be able to give me satisfaction. In view of the upward movement of the Canadian dollar in relation to the United States dollar, is it the policy of the Canadian government to continue a free float of our dollar?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, I would be much happier to allow the Minister of Finance to deal with that question at a later date, but I would like to advise the Leader of the Opposition, at least in a general way, that the present policy of the government in that respect has not been changed.

Mr. Stanfield: Having regard to the existing situation according to the understanding between Canada and the United States and the other countries in the International Monetary Fund is Canada limited to a choice between a free float or clean float and a fixed rate of parity exchange? Specifically, would it be possible for Canada to maintain a float but also associate with it some restriction on the movement of short-term capital? In other words, what are the options under the existing understanding arising from the last discussions?

Mr. MacEachen: Mr. Speaker, I am now so far away from my studies in economics that I am not sure I can comprehend all the ramifications of this question. All I would want to say, aside from commenting on understandings that may have been reached, is that the policy of the government has been made clear on more than one occasion, and it is that the Canadian dollar is allowed to seek its own level on the market as a result of normal international market forces.

Mr. Stanfield: I have5one further supplementary question, Mr. Speaker, which I am sure the Acting Prime Minister will be fully able to answer. In view of the upward movement of the Canadian dollar and the effect of this movement on important Canadian industries, has the Canadian government any plans to put into effect to alleviate the difficulties being confronted by these industries, and the possible very prejudicial effect upon employment in Canada as a result of this upward movement of the Canadian dollar?

Mr. MacEachen: Mr. Speaker, at the moment I am not in a position to announce any immediate plans that the government has in mind with respect to the protection of any industry or group of industries. I want to conclude by thanking the Leader of the Opposition for the confidence he has in my ability to answer these questions. I only hope it has not been misplaced.

Mr. Stanfield: Mr. Speaker, I simply want to say that the confidence I have indicated is the least I could express to a representative of the government from my own province.

UPWARD MOVEMENT OF CANADIAN DOLLAR—POSSIBLE IMPOSITION OF EXCHANGE CONTROLS—SUGGESTED LOWERING OF SHORT-TERM INTEREST RATES BY BANK OF CANADA

Mr. Max Saltsman (Waterloo): Mr. Speaker, I should like to direct my supplementary question to the Acting Prime Minister. Is Canada considering the imposition of exchange controls since most European countries are very active with their exchange controls, excluding

American dollars from entry into their markets, and there seems to be a growing tendency for American dollars to find their way into Canada, thus raising the value of our dollar?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, I have no indication whatever, nor would I like the hon. member to get the impression, that we are proposing a system of exchange controls in Canada at the present time.

Mr. Saltsman: May I then direct this question to the Acting Prime Minister. What steps is the government taking to urge upon the Bank of Canada the lowering of short-term interest rates to ensure that the Canadian dollar will not rise too substantially?

Mr. Speaker: Order, please. The hon. member for Waterloo might agree with me, and I suspect that even the President of the Privy Council might also agree that this is the sort of information which normally ought to be given on motions. The hon. member for York South.

• (1120)

Mr. Saltsman: Mr. Speaker, I wonder whether I might rephrase that question?

Mr. Speaker: The hon. member for Waterloo on a supplementary.

Mr. Saltsman: I shall make it somewhat easier, Mr. Speaker, and ask the Acting Prime Minister whether any discussion is going on between the government and the Bank of Canada for the purpose of establishing lower short-term interest rates in Canada?

An hon. Member: Don't say "I don't know."

Mr. MacEachen: Mr. Speaker, the Minister of Finance is obviously in continuous consultation with the Governor of the Bank of Canada. I am sure it would be improper for me to disclose the nature of those discussions.

Mr. Aiken: Even if you knew!

Mr. Fairweather: Shades of Paul Martin.

Mr. Lewis: I think the President of the Privy Council ought to go to the other place.

An hon. Member: That is what he hopes to do.

Mr. Knowles (Winnipeg North Centre): There is one Paul Martin there already.

Mr. Speaker: The hon. member for York South.

EXTERNAL AFFAIRS

ADMISSION OF EAST GERMANY INTO WORLD HEALTH ORGANIZATION AS STEP TOWARD PARTICIPATION IN UNITED NATIONS CONFERENCE ON HUMAN ENVIRONMENT

Mr. David Lewis (York South): Mr. Speaker, I should like to put a question to the Acting Prime Minister and if he does not know the answer perhaps the Minister of the Environment does, so I direct it to either. It concerns the United Nations conference on the human environment to be held in Stockholm next October. It is my understanding that the cabinet has been discussing the question of representation of East Germany at that conference, which is one of the stumbling blocks at the present time. Has the cabinet reached a decision with regard to supporting the admission of East Germany into the World Health Organization as a step toward its participation in the environmental conference?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, I personally have been concerned about the nature of the Canadian delegation and the nature of Canada's submission to the United Nations conference on the human environment in Stockholm in June. I would prefer, however, to leave the matter of the representation of East Germany to be answered by the Secretary of State for External Affairs.

Mr. Lewis: I shall direct that question to the Secretary of State for External Affairs on another day. May I ask the Minister of the Environment whether the submission that Canada will make to the conference will be made available to Members of Parliament and other interested groups in Canada before it is presented to the conference? Also, will the minister's department or the Department of External Affairs head the Canadian delegation?

Mr. Davis: Yes, Mr. Speaker. Several different kinds of submissions will be made available prior to the conference in June. The Department of the Environment will be heading the delegation along with External Affairs.

UNITED NATIONS CONFERENCE ON HUMAN ENVIRONMENT—INCLUSION OF PROVINCIAL AND OTHER REPRESENTATIVES ON CANADIAN DELEGATION

Mr. David Lewis (York South): Mr. Speaker, may I ask the Minister of the Environment whether he has entered into discussions with the provinces and whether there will be provincial representation on Canada's delegation and also non-governmental representation on the delegation of organizations interested in the question of pollution?

Hon. Jack Davis (Minister of the Environment): Yes, Mr. Speaker, there will be full representation from the provincial governments and from other interested organizations.

Mr. Speaker: The hon. member for Parry Sound-Muskoka on a supplementary.

UNITED NATIONS CONFERENCE ON HUMAN ENVIRONMENT—POSSIBILITY OF CANCELLATION

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, my supplementary arises from reports circulating that the proposed conference on the environment is in some difficulty. Has the government had any formal indication that this conference on the environment may not proceed?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, it is our expectation that it will be proceeding and that all nations will attend.

* * *

[*Translation*]

INDUSTRY

TEXTILES—REGULATIONS RESPECTING ELIGIBILITY FOR ASSISTANCE

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, my question is directed to the Minister of Labour.

Since Bill C-215 has been enacted more than a year ago, can the minister tell us why the regulations on the textile industry employees' eligibility for adjustment assistance are not yet available.

[*English*]

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, may I take that question as notice.

[*Translation*]

Mr. Rondeau: Mr. Speaker, I have a supplementary.

I find it strange that the minister is not yet aware of that question, while recipients in my constituency are waiting—

Mr. Speaker: Order, please. That is not a supplementary.

* * *

[*English*]

HOUSE OF COMMONS

POSSIBILITY OF INTERCEPTION WITHIN DEPARTMENTS OF PUBLIC SERVANTS' PERSONAL MAIL DIRECTED TO MEMBERS OF PARLIAMENT

Mr. Erik Nielsen (Yukon): Mr. Speaker, my question is directed to the Acting Prime Minister. Is the government aware of any practice or policy in government departments whereby personal and private mail directed to Members of Parliament from government employees, using the internal mailing facilities of the department, is intercepted and examined by departmental or any other security personnel to the extent of opening envelopes, examining the contents and, in the case of unsigned correspondence, subjecting the envelopes and contents to fingerprint and other identification tests?

Hon. Allan J. MacEachen (Acting Prime Minister): No, Mr. Speaker, I am not aware of any such practice. I will be happy to take my hon. friend's question as notice and have it checked out to see whether there is any substance or basis to the serious matter he is raising.

Mr. Nielsen: Will the Acting Prime Minister consult with his colleagues, particularly with the Prime Minister, for the purpose of causing an investigation to be made of this matter in order to reassure government employees that they may communicate privately with their own member of parliament or any member of parliament in confidence and without fear, as is the right of every Canadian citizen?

Mr. MacEachen: Yes, Mr. Speaker. I will be happy to raise the matter with the Prime Minister and to attempt to bring an answer back for the hon. member at a later date.

POSSIBLE WIRETAPPING OF MEMBERS' TELEPHONES

Mr. S. J. Korchinski (Mackenzie): I have a supplementary question, Mr. Speaker. Has any attempt been made to check out what is happening to our telephones? Apparently they are clicking on and off and there appears to be suspicion that something unusual is going on. I hope it is not wiretapping. Would the minister assure the House that no effort is being made at this time to wiretap telephones in the House of Commons?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, I am absolutely certain that there is no effort on the part of any officer of the House or any member of the House to have the telephones of hon. members tapped in any way. I am sure my hon. friend can be satisfied that that is the case.

Mr. Korchinski: Mr. Speaker, I am quite satisfied that the minister's assurance is a valid one. However, I want him to check this out and ascertain whether there are any activities going on which might suggest to various members of the House or others outside the House that something is going on. I say that because there have been several strange noises on the line, strange clicks. The suspicions of some hon. members and members of their staffs have been aroused, and they doubt whether everything is in order.

Some hon. Members: Oh, oh!

Mr. MacEachen: Mr. Speaker, on the question of the telephone system, I am sure we would all want to be satisfied about it and bring about any inquiries that are necessary to indicate that telephones are not being interfered with in any way. In so far as strange noises are concerned, they are hard to control. We had a few of them yesterday and I am sorry to say I made a few myself.

Mr. Erik Neilsen (Yukon): A supplementary question, Mr. Speaker. It seems that some hon. members find the matter humorous but I consider it to be quite serious. When the minister determines whether or not inquiries are necessary, will he specifically direct those inquiries to the possibility of long-distance calls to and from members' constituents being recorded through the long-distance facilities?

Mr. MacEachen: Mr. Speaker, I take it that the hon. member is quite serious. If there is any possible sugges-

tion that members' phones are being in any way interfered with, from whatever source, the matter would be quite serious indeed, and I would take whatever steps are open to us to ensure that Members of Parliament continue to have free and uninspected access to their telephones by which they are in contact with all parts of the population. I am sure that is what we all want and we will ensure that this takes place.

* * *

HEALTH

DISCUSSION WITH CIGARETTE MANUFACTURERS ON INCLUSION OF WARNING IN PRINTED ADVERTISING

Mr. Barry Mather (Surrey-White Rock): Mr. Speaker, I had a question I wanted to direct either to the Minister of National Health and Welfare or the Minister of Consumer and Corporate Affairs. In their absence, perhaps you would allow somebody opposite to take notice of it. Having in mind the fact that both in the United States and the United Kingdom health warnings are now published as part of printed cigarette advertising, have discussions taken place between the government of Canada and the Canadian Tobacco Manufacturers Council looking toward the inclusion of a similar warning in Canada as part of any permitted printed cigarette advertising?

* * *

• (1130)

TRANSPORT

GRAIN DELIVERY TO VANCOUVER—SUGGESTED OVERHAUL OF RAIL TRANSPORTATION POLICY TO EXPEDITE MOVEMENT—CONTINGENCY PLAN

Mr. Jack Murta (Lisgar): Mr. Speaker, my question is for the Minister of Transport. In view of the fact the Canadian Wheat Board has set a shipment target of some 30 million bushels of wheat to be delivered each month to Vancouver and at the present time the railways can only deliver approximately 16 million bushels each month, will the minister now undertake a complete overhaul of the rail transportation policy in western Canada?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I am not at all sure what the hon. member means by a complete overhaul. There is an exhaustive study under way at the present time which involves my own ministry as well as the Wheat Board, the railways and various producer organizations with a view to greater rationalization of grain movement in western Canada. I hope something definite will come out of that in the relatively near future.

Mr. Murta: I wish to direct a supplementary question to the minister responsible for the Wheat Board. In view of the fact deliveries are currently some 25 million bushels behind the target figure for this year, is a contingency plan to catch up being prepared at the present time? If so, when will it be in operation?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, as I indicated to the House when these questions were first raised some two weeks ago, at which time there was an even larger backlog of grain to be caught up on, the railroads agreed to attempt a target of unloads which would be adequate to catch up gradually on the backlog as well as to meet continuing commitments. The continuing very difficult weather in the Rockies has made that impossible, so the backlog has continued. It is certainly our hope that we will be able to catch up when there is good weather. The Wheat Board has also taken some steps to divert deliveries of grain that normally might be made out of Vancouver out of other ports for delivery so that the market can be supplied with grain as quickly as possible.

GRAIN SHIPMENT—SUGGESTED DREDGING OF CHURCHILL HARBOUR—LOCAL REPRESENTATION ON PORT AUTHORITY

Mr. Robert Simpson (Churchill): My supplementary question is for the Minister of Transport. In view of the considerable concern which is evident as a result of delayed shipments of grain, will the minister reconsider the decision regarding a dredging program at Churchill this summer, which is very necessary so that port can continue to be the most efficient port in Canada, as recognized yearly by the National Harbours Board.

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I thank the hon. member for his Chamber of Commerce remarks about the port. I agree it is a very useful and valuable port in Canada. Apropos the direct question, I am pleased to tell the hon. member that we will be appointing a port authority for the port of Churchill within a matter of a few weeks. One of the first assignments to go to that authority will be to make recommendations to us as to how best to improve it.

Mr. Simpson: Now that the minister has announced that the port authority will be appointed very shortly, will he again assure the House that the fullest consideration will be given to having local representation on that port authority?

Mr. Jamieson: Mr. Speaker, I think I have given that assurance on at least two previous occasions, but I am very happy to do it again.

REQUEST FOR TABLING OF REPORT ON RATIONALIZATION OF TRANSPORTATION SYSTEM IN WESTERN CANADA

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, I wish to direct a supplementary question to the Minister of Justice in his capacity as the minister responsible for the Canadian Wheat Board. In view of the great interest being shown in the proposed Saskatchewan land bank policy and the federal government's small farm policy, and in view of the questions that have been asked with regard to making public the report on the rationalization of the transportation system, is the minister now prepared to table that report in the House so there can be some fruitful discussion throughout the various constituencies?

Inquiries of the Ministry

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the answer is really the same as it has been. We are discussing these reports with the provincial governments, particularly in the west, as well as with the companies on whom we have relied for a good deal of the calculations which are involved. At an appropriate time as these discussions proceed it is our intention to make the summary or the basic findings involved available to producers so that the discussions can proceed. I assure hon. members that it continues to be our intention to proceed only in line with producer wishes with regard to changes that may be made.

Mr. Speaker: Order, please.

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INQUIRY OF THE MINISTRY

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question would have been for the Prime Minister as it involves several government departments and could in part touch on his newly acquired training as a parent. I realize that the Acting Prime Minister lacks in that direction, but I will try my luck with him anyway. As a member of the cabinet is now advertising for an English nanny in the agony column of the *Times* of London, would the Acting Prime Minister cause vigorous efforts to be made to see if some fine, unemployed, Canadian, potential "Mary Poppins" could get a special manpower training course to fill this need?

Mr. Speaker: Order, please.

Mr. Broadbent: A supplementary question.

Mr. Speaker: I think the supplementary might better be placed on the order paper.

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AGRICULTURE

POTATOES—RESPONSE TO REPRESENTATIONS FOR ACTION TO RELIEVE DEPRESSED MARKET—POSSIBLE DIVERSION TO STOCK FEED

Mr. David MacDonald (Egmont): Mr. Speaker, if the hon. member for Oshawa-Whitby wants to volunteer I do not want to interrupt him. My question is directed to the Acting Prime Minister. I am very happy in this case that he is a Maritimer because my question is of importance to the Maritimes. A telegram was recently sent to the Minister of Agriculture, who unfortunately has not been in the House this week, with regard to the Agricultural Stabilization Board taking substantial stocks of potatoes previously committed by both Prince Edward Island and New Brunswick farmers. The joint potato committee of Prince Edward Island and New Brunswick has asked the Minister of Agriculture to take immediate action in order to alleviate the depression that is currently affecting the potato market in eastern Canada. I would ask the minister to ascertain whether some action can be taken quickly on this particular problem.

[Mr. Skoberg.]

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, I will be glad to bring my hon. friend's question to the attention of the Minister of Agriculture as soon as possible. While I am on my feet, Mr. Speaker, may I be permitted to answer a question that was asked of the Prime Minister a day or two ago?

Mr. Speaker: Perhaps I might allow the hon. member for Egmont a supplementary question and then the President of the Privy Council can refer to the question he has just mentioned.

Mr. MacDonald (Egmont): I am grateful for the assurance of concern by the Acting Prime Minister and his willingness to act. Inasmuch as a number of carloads of potatoes in New Brunswick have been diverted to starch manufacturing and no such capability exists in Prince Edward Island, and in view of the active request of Prince Edward Island potato growers to have these potatoes diverted to stock feed, would the minister see whether the exploration of this possibility by agricultural officials can be accelerated? I think that is the essence of the matter, at least in terms of Prince Edward Island.

Mr. MacEachen: Yes, Mr. Speaker. I will also add that query to the matter I will raise with the Minister of Agriculture.

[*Later:*]

Mr. MacDonald (Egmont): Mr. Speaker, could the minister also make sure, because of the pressure of time, that a direct answer is given to these questions I have raised either by the Minister of Agriculture or by himself when the House reconvenes on Monday?

Mr. MacEachen: Yes, Mr. Speaker.

Mr. Speaker: Order, please. We shall perhaps have to limit the number of supplementaries. I believe the President of the Privy Council has replied in the affirmative to the hon. member for Egmont.

[*Translation*]

POTATOES—REQUEST BY PRINCE EDWARD ISLAND AND NEW BRUNSWICK FOR ASSISTANCE

Mr. Eymard Corbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, I should like to put a supplementary question on this subject to the Parliamentary Secretary to the Minister of Agriculture.

Has the Agricultural Stabilization Board studied the request addressed to it by telegram this week by the joint committee of potato growers of New Brunswick and Prince Edward Island?

Mr. Marcel Lessard (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I can tell the hon. member the telegram was indeed received and studied. With regard to the first part, hon. members will be happy to hear that as far as reporting what quantities of potatoes are held in stock in Canada, in the future a distinction will be made between the quantity on the market and that which is held under the federal government assistance program.

As for the second part of the telegram, it has been considered—

Mr. Speaker: Order.

* * *

[*English*]

NATIONAL DEFENCE

OMISSION OF THE WORD "ROYAL" FROM ADVERTISING OF MILITARY COLLEGES

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, on Thursday of this week the hon. member for Frontenac-Lennox and Addington asked the Prime Minister about the use of the word "royal" in references to Canadian military colleges and, in particular, asked why the expression "royal" had not been used in certain advertisements. The inquiry I made indicates there are no plans whatsoever to change the names of any of the Canadian military colleges. There is no plan to change the name of Royal Roads at Victoria, British Columbia, the Royal Military College at Kingston or the Collège Militaire Royal de Saint-Jean, Quebec. Since 1948, when referring to these colleges collectively in advertisements, it has been the practice to call them Canadian service colleges or, latterly, Canadian military colleges. However, when the colleges are referred to individually their proper names are used and the full title continues to be maintained in advertisements at the present time.

* * *

• (1140)

CANADIAN NATIONAL RAILWAYS

REQUEST THAT EMPLOYEES' PENSIONS BE COMPUTED ON BASIS OF 2 PER CENT PER YEAR OF SERVICE—REPRESENTATIONS BY MINISTER

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Transport. In view of the fact that Air Canada is now computing the pensions of all its employees on the basis of 2 per cent for each year of service, will the minister ask Canadian National Railways when it will take similar action and raise the basis of its pension plan from 1½ per cent to 2 per cent?

Hon. Donald C. Jamieson (Minister of Transport): Yes, Mr. Speaker, I will ask them, and when a reply is received I will pass it on to the hon. member.

Mr. Knowles (Winnipeg North Centre): If the answer of the Canadian National is not yet favourable, will the minister make representations that the CNR take such action?

Mr. Jamieson: I shall be very glad to do what I can in that regard.

Inquiries of the Ministry

AIR TRANSPORT

DISCUSSION WITH AIRLINES OF SECURITY MEASURES TO MEET BOMB THREATS

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is to the Minister of Transport. In light of the request by President Nixon that American airlines meet to discuss further security measures arising out of the incident last week, and in light of the incident at Windsor last night when Air Canada received a bomb threat to its aircraft, can the minister tell us whether he is also having a meeting of Canadian air lines and dealing with this problem in conjunction with the United States?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, the answer to both parts of the question is yes. Meetings have taken place between officials of the Department of Transport and representatives of the Canadian airlines. We are also involved not only bilaterally with the United States but with IATA and the various international organizations which are attempting to cope with this problem. As a general rule, our procedures at the moment and our general approach are much in line with those of the United States.

Mr. Lambert (Edmonton West): The question does not refer to the hijacking of aircraft. It has to do with the placing of bombs and the holding up of aircraft for ransom.

Mr. Jamieson: That is the subject I had in mind when I made my reply.

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GRAIN

POSSIBLE INTRODUCTION OF STABILIZATION PROGRAM DURING PRESENT SESSION OF HOUSE

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, I have a question for the minister responsible for the Canadian Wheat Board. Bearing in mind the statement made recently to the Saskatchewan outlook conference that farmers can look forward to large grain exports at low prices, is it the intention of the government to introduce legislation this session to establish a realistic and economically viable grains stabilization program?

Hon. Otto E. Lang (Minister of Justice): I am certainly touched by the hon. member wanting a stabilization plan, after what was said earlier about such a plan by hon. members opposite.

It is unlikely we shall be able to find time in the immediate future to come forward with a stabilization plan, but it is certainly my view that protection against international market conditions is extremely important and I hope to be able to introduce legislation along those lines at least within a year or so.

Mr. Baldwin: Will it be a more intelligent plan than the one the government tried to introduce last session?

Inquiries of the Ministry

POWER

FUNDY TIDES—INQUIRY AS TO PUBLICATION OF FINDINGS OF STUDY

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I have a question of importance to Atlantic Canada to address to the Minister of Energy, Mines and Resources. Will the findings of the study of the economic feasibility of using Fundy Bay tidal power to generate electricity be made public? If so, will this information be made available before the present parliament is dissolved?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the body to which the hon. member refers was appointed only the other day; I think it will be meeting in the next several weeks to plan its program of work. It is difficult at this point to indicate how soon it will be in a position to report, and what it will have to say on the question. I would expect that the report would be of such general importance to the three governments concerned that the findings would be made public.

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SHIPPING

INVESTIGATION INTO SINKING OF TUGBOAT, "HARO STRAITS"

Mr. Frank Howard (Skeena): Mr. Speaker, I have a question for the Minister of Transport. The other day my hon. friend from Nanaimo-Cowichan-The Islands asked the minister about an investigation into the sinking of the *Haro Straits* in British Columbia waters. The minister told us at that time that adverse weather conditions had hampered the investigation somewhat and that the vessel was still tied up to the tow. Can the minister inform us whether this is still the case, and what course the investigation has taken to date? Can he also say whether any attempt will be made to refloat the *Haro Straits?* I am tempted to ask also about the port authority for Prince Rupert—

Mr. Speaker: Order, please. Perhaps we might deal with the one matter and do so as quickly as possible because we are running short of time.

Hon. Donald C. Jamieson (Minister of Transport): With regard to the tug incident, the hon. member probably knows that a submersible has spotted the vessel. The work has been interrupted a good deal in recent days by bad weather. The on-the-spot investigation is not complete or, at least, it was not complete as of yesterday. Perhaps I am getting a little ahead of the normal procedure, but I would suspect that in this case we would first of all attempt to raise the vessel if that should be feasible. I also have very little doubt that the vessels of the preliminary inquiry will lead me to call for a normal inquiry.

[Mr. Baldwin.]

[*Translation*]

AGRICULTURE

FEED GRAIN—MEASURES TO ESTABLISH PRICE PARITY BETWEEN EASTERN AND WESTERN CANADA

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to put a question to the minister responsible for the Canadian Wheat Board.

Since a number of organizations on several occasions last fall urged the minister to consider the possibility of taking steps to enable eastern producers to pay the same price as western producers for their feed grain, I would like to ask him whether he has taken a decision about those requests and whether he is in a position to say when he will make a statement to that effect?

[*English*]

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, studies are continuing with respect to the question of dealing with the problem of wide discrepancies in feed grain prices as between different regions. I do not have anything further to report at this time. It is true, however, that in the current situation feed grain prices in the prairie region have strengthened significantly, and I believe that with the announcement of an increase of five cents in the initial price for barley for next year, and with the very high level of exports this trend will continue. As a result, there is no immediate problem. The old problem was related to distress pricing and practices, and that has been solved by the very rapid movement of grain into export—

Mr. Speaker: Order, please.

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TRANSPORT

POSITION OF DISCUSSIONS ON ESTABLISHMENT OF GO-TYPE RAIL SERVICE NORTH AND NORTHWEST OF TORONTO

Mr. Rud L. Whiting (Halton): Mr. Speaker, I should like to direct my question to the Minister of Transport. Can the minister inform the House as to the present status of the discussions which are taking place between Canadian National Railways, the federal government and the province of Ontario with respect to establishing GO-type transit service north and northwest of the city of Toronto?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, the discussions are going extremely well. The last word I had of them was yesterday evening. The estimate of all three levels of government involved is that the report will probably be completed in May.

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MANPOWER

LOCAL INITIATIVES PROGRAM—INVESTIGATION OF GRANT TO SCENE AFTER SCENE FREE THEATRE

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I have a question for the Acting Minister of Manpower and Immigration. On March 6 the minister informed us

that he was reviewing the $40,000 grant under the LIP program to the Scene After Scene Free Theatre in Dundas. Has this review been completed and, if so, what decision has been reached?

Hon. Martin P. O'Connell (Acting Minister of Manpower and Immigration): Yes, Mr. Speaker. A review of the Scene After Scene project has been made. It has been found to be proceeding within the criteria of the program guidelines, but it will be maintained under review as it goes along. This is a project which employs 17 persons and is producing two full-length plays by Brecht and Aeschylus, plays which are presented at universities and other institutions in Canada.

• (1150)

Mr. Lundrigan: May I ask the Acting Minister of Manpower and Immigration whether any other specific reviews have been directed to be made and, more specifically, whether any projects have been denied their final payments or had their original contract payment reduced? If so, is the minister prepared to table that information?

Mr. O'Connell: Mr. Speaker, in reply to the first question, a regular monitoring service is going on, so that there is a continuing review of all projects. With respect to whether any have had reductions made, there is also a continuous adjustment of projects. Some are reduced, some are expanded, but we will do our best for the unemployed by making sure these projects remain feasible. I do not know that it would be of any advantage to table—

Mr. Speaker: Order, please. It seems to me we are running short of time so perhaps we might move on to the next questioner.

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INFORMATION

PROVISION OF POLICY ON RIGHT OF PUBLIC TO KNOW

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, my question is for the Minister of Labour who I understand reports for Information Canada. As the need for a policy on the right of the public to know is again underlined in the annual report of Information Canada, what attention is being given to overcoming this serious policy gap?

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, we are giving considerable attention to that question. There are statutes in various countries known as "right to know statutes". They work less than perfectly. We are looking at all the options in this regard.

Inquiries of the Ministry

OIL

POSSIBLE MACKENZIE VALLEY PIPELINE—LEVEL AND NATURE OF DISCUSSIONS WITH UNITED STATES—DATE OF REPORT ON FEASIBILITY

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I have a question for the Secretary of State for External Affairs or his parliamentary secretary. In view of the possibility of an oil pipeline through Canada for Alaskan oil and the recent statement by Mr. Ruckelshaw of the United States environmental protection agency that the United States Secretary of the Interior has consulted with officials in Canada about the matter, I would ask the parliamentary secretary at what level of government did these discussions take place, and who were involved in them?

Mr. Paul St. Pierre (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, the statement recently made by the Minister of Energy, Mines and Resources has been drawn to the attention of the United States government by our representatives.

Mr. Harding: Mr. Speaker, I have a supplementary question. Would the parliamentary secretary indicate the date of these discussions and what aspects of the potential pipeline were discussed, as well as the date that has been set for a report on the feasibility of such a pipeline?

Mr. St. Pierre: Mr. Speaker, as indicated by the Minister of Energy, Mines and Resources, it is expected that the studies will be complete this fall. As to the other sections of the hon. member's question concerning the date of these conferences, I would have to take it as notice and check further.

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AGRICULTURE

RESPONSE TO REPRESENTATIONS FOR ASSISTANCE IN FOWL BUYING PROGRAM

Mr. R. E. McKinley (Huron): Mr. Speaker, my question is for the Parliamentary Secretary to the Minister of Agriculture. I should have liked to ask the Minister of Agriculture this question, but I understand he has been absent all week on doctor's order and will be present next week. I am sure we all wish him a speedy recovery and return to the House. Has the government received a submission from the Federation of Agriculture on behalf of egg producers in relation to assistance in a fowl buying program and, if so, what does the government plan to do about it?

Mr. Marcel Lessard (Parliamentary Secretary to Minister of Agriculture): Yes, Mr. Speaker, the government has received those submissions. They have been discussed and considered and I suspect that the minister will be in a position to make a statement on his return.

Inquiries of the Ministry

[*Translation*]

THE CANADIAN ECONOMY

INFLATION—MEASURES TO RESTRAIN INCREASE IN FOOD PRICES

Mr. Henry Latulippe (Compton): Mr. Speaker, I had a question for the Minister of Consumer and Corporate Affairs, but, as he is not here, I shall direct it to the Acting Prime Minister.

Considering that the cost of living continues to increase and that the rise in the consumer price index is mainly due to the price of food, would the minister tell the House whether the government intends to intervene in some way in order to curb the increase in food prices?

Mr. Speaker: Once again, I feel that the hon. member's question is rather general. Normally such a question would call for a statement on motions. The government may wish to consider the suggestion made by the hon. member for Compton.

* * *

[*English*]

OIL

PROPOSED WEST COAST TANKER ROUTE—POSITION AND NATURE OF DISCUSSIONS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is for the Minister of the Environment. Is there anything going on these days between Canada and the United States regarding the proposed tanker route down the west coast from Alaska? The last report was of a meeting of officials and it was indicated they did not have enough information to make any findings. Have there been further consultations or active work undertaken on the part of Canadian ministers or officials of the government on this subject in their relationship with the United States?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, there are no meetings scheduled between ministers. However, studies are continuing on environmental conditions and the impact of oil spills in Puget Sound and Georgia Strait.

Mr. Stanfield: What is the nature of these discussions and studies? Are they joint studies that are being made by Canadian officials in association with United States officials, are the studies being made by the United States officials, or are they being made by our officials?

Mr. Davis: Mr. Speaker, there are studies on both sides of the line being carried out independently. I would have to add that they are being pushed more energetically on our side of the line than in the U.S.A.

Mr. Stanfield: Naturally, I would hope so.

Mr. Speaker: Order, please. I will recognize the hon. member for Yukon on a supplementary. We have reached the end of the question period but I will allow two or three additional short questions following the supplementary.

[Mr. Lessard (Lac-Saint-Jean).]

PROPOSED MACKENZIE VALLEY PIPELINE—SUGGESTED REFERENCE OF PETITION OF OLD CROW INDIANS TO COMMITTEE ON JUSTICE AND LEGAL AFFAIRS

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a supplementary question for the government House leader which relates to the petition tabled earlier of the Old Crow Indian people concerning their land rights. Has the minister yet consulted with his colleague, the Minister of Indian Affairs and Northern Development, in order to ascertain whether the government is going to permit the Old Crow people to be heard by referring their petition to the Standing Committee on Justice and Legal Affairs?

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, as I indicated to the hon. member, I intended to confer with my colleague on this point. However, as is known, he has been absent for the past several days as he is in the west on public business. As soon as he returns I will deal with this matter.

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FISHERIES

SALMON—ACTION TO INCREASE NUMBER OF RIVER GUARDIANS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is for the Minister of Fisheries. In view of the approach of the fishing season and the need for conservation of our salmon rivers, what action is the minister taking this year to increase the number of guardians to conserve our salmon stocks, in line with the need across the country?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, our regulations with respect to salmon, as announced last year, will be reiterated this year in almost precisely the same form.

Mr. Marshall: Mr. Speaker, the minister did not answer the question about conservation and the need for extra river guardians this year. What are his intentions in this respect? Last year he had difficulty getting enough funds to provide the required number of guardians.

Mr. Davis: Mr. Speaker, we can always do with more river guardians on the east coast.

* * *

HEALTH

REQUEST FOR TABLING OF REPORT ON PREPACKAGING OF CERTAIN PRESCRIPTION DRUGS TO CUT COST

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, in the absence of the Minister of National Health and Welfare may I direct my question to the informative Acting Prime Minister. In view of the leaking to the Montreal *Gazette* yesterday of a confidential government report on the possibility of substantial cuts in the price of drugs by prepackaging of the most commonly used prescription drugs, can the Acting Prime Minister say whether or not

this confidential report will be made public so that the House and the public can study it?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, I do not know about this report but I will ask the minister to look into it and to provide my hon. friend with an answer.

Mr. Speaker: Order, please. We have just about reached the end of the question period but the Chair will recognize the hon. member for Saint John-Lancaster for a last question.

* * *

TRANSPORT

SUGGESTED FULL USE OF EASTERN CANADIAN PORTS FOR GRAIN EXPORTS

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, I have a question for the Minister of Transport which I tried to ask earlier. Would the minister check to see that there is full utilization of eastern Canadian ports for grain exports? We all know that the St. Lawrence is frozen over, but there is storage at the port of Saint John and these facilities for the storage of grain are not being fully utilized.

Hon. Donald C. Jamieson (Minister of Transport): Yes, Mr. Speaker, I will be glad to do that. Generally speaking, I think the record shows that use of the port has been on the increase in recent years, and I shall try to keep it rising.

Mr. Speaker: Orders of the day. Is the hon. member for Winnipeg North Centre rising on a point of order?

Mr. Stanley Knowles (Winnipeg North Centre): Yes, Mr. Speaker. Before we begin today's debate I wonder whether I could indicate that we are suggesting no change in the time limits provided in Standing Order 58(13). You will find, however, that there is agreement among the four House leaders that no one take any overtime today.

Mr. Speaker: I take it then that there is a standing instruction agreed to unanimously that the Chair is not to allow overtime to hon. members even if they seek it at that time with unanimous agreement.

Mr. Baldwin: Anybody who does should go in the penalty box.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

• (1200)

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED FAILURE OF GOVERNMENT PROGRAMS TO ALLEVIATE REGIONAL ECONOMIC DISPARITY

Mr. David Lewis (York South): Mr. Speaker, I move:

That this House condemns the government for the disastrous failure of its regional development programmes to make any progress in eliminating regional disparities and, in particular, condemns the government for the lack of planning or strategy in its programs, for its total reliance on give-away grants to private corporations, most of them foreign owned, for the senseless practice of transplanting unemployment by assisting plants in one location while similar plants are being closed in another location and for the wasteful expenditure of large sums of public funds without appreciable results in jobs and economic development in the disadvantaged areas of Canada.

He said: Mr. Speaker, I want to say immediately, so that the position is clear, that I and my colleagues appreciate that the problem of regional disparity is a very difficult one. Indeed, it is a universal problem. There is hardly a country I know anything about in which there are not disparities among regions and in which there have not been considerable difficulties in getting rid of those disparities.

I also want to say immediately, so that there is no misunderstanding, that my colleagues and I do not question the sincerity of the minister in charge nor do we question his genuine concern about the objectives which his department is supposed to serve. My complaint is not that the minister and the department have not performed miracles. My complaint is that the department is now in a shambles, that the programs have proven themselves to be relatively worthless, and that hundreds of millions of dollars have been handed out to large corporations with relatively little result in jobs and in changes in the situation in the disadvantaged areas of this country. It is not that he has not performed miracles or has not accomplished what should take 15 years in about three years. It is a fact that there is no evidence in the department's plans and programs of any useful industrial or economic strategy or plan for the disadvantaged regions of this country. There is evidence of a department that has amounts of money it can use and has officials sitting more or less in a passive way waiting for applications from corporations and offering grants on the basis of those applications. I will come back to that in a moment.

I want to make another statement which may be one which removes some of the blame from the minister and the department. I appreciate that the minister's policy was doomed, almost from the start, to utter failure by the general economic policies of this government. The moment the Prime Minister (Mr. Trudeau) and his advisors were ready to create massive unemployment in this country, the moment they were ready to slow down the economy and the moment they were ready to tighten all the various situations that would have made the economy go, the poor minister and his department were doomed to failure because in a situation of general economic deflation obviously the disadvantaged areas are hurt more

than any other regions of the country. It is also obvious that what they are doing with the one hand is being taken away by the other hand of the government, and the minister and his department are therefore in a straitjacket of a cruel, outdated, heartless stupid policy which the government as a whole has followed.

I hope the minister objected to the policy and opposed it in cabinet circles. I would have even greater respect for him than I have if he opposed it not only inside cabinet circles but also spoke up outside cabinet, even if it meant that to stand by principle, to stand by decency and to stand by Canada, he would have had to resign from the government in order to make his point. I suggest that was his alternative. I am assuming he did not do this, although I cannot imagine the Minister of Regional Economic Expansion (Mr. Marchand) agreeing with a government policy that aimed, as the Prime Minister said, at 6 per cent unemployment or that the government would be ready to accept a 6 per cent unemployment level. If he did not agree with this, and if he saw as he should have the dangers that represented to his policy, programs and objectives, then I think there comes a point where so basic an issue weighs pretty heavily on the conscience of people concerned with making policy in this country. I suggest the basic problems which exist with this department and with this program is that it has no strategy and no plan. It is a continuing series of "ad hocery". It just has not worked and it just cannot work.

May I also say this to give the context in which I do my thinking about regional disparity. In a federal country like Canada in particular, one of the major duties of a central government is to seek plans, policies and programs, to equalize opportunity and to equalize conditions of life for all Canadians irrespective of where they may happen to live. One of the major duties of this government is to make sure the people of the Atlantic provinces, the Indians and Eskimos in their communities, the people in the Gaspe area of Quebec and other regions of that province, the people in northern Ontario and indeed the people in every part of Canada will have, if not exactly the same opportunity—perhaps that is not possible—and not exactly the same condition of life—perhaps that is not possible—at least will have a really humane basis for existence, with the gap between the poor and rich regions and the gap between the poor and rich groups in this country being constantly narrowed. That must be the objective of any decent society, any just society, any incentive society, any grand society and all the adjectives which have been used by Liberals and Conservatives in my opinion to bamboozle the people of Canada. Surely, this should be the major objective of the central government.

I assume in a spurt of concern, which the Prime Minister has not shown since, the Prime Minister made his only specific commitment or promise during the federal election of 1968. I say this is a spurt of concern which has not been in evidence ever since. That one commitment was that he would do something about regional disparity. I believe he used a more flowery expression. He was going to give every Canadian the same position and the same opportunity in the just society he was going to start building. That was the only, at least major, specific undertaking the Prime Minister made during the election of 1968. I say with sadness and sorrow that the fact is there has been no progress at all made on that. Instead of progress there has been a wastage of funds, there has been a lack of plans and there has been a total lack of any industrial or economic strategy.

• (1210)

The other day Professor McAllister of Dalhousie University in a recent speech in Ottawa—and I understand that Professor McAllister is occasionally used by the Department of Regional Economic Expansion because of his knowledge and expertise in the area—made this typically professorial understatement when he said:

> At present the pickings or threads of regional strategies that can be stuck together have an incomplete and unconvincing flavour.

Only a professor could have put it that gently. What the professor meant, I suggest to you, Mr. Speaker, is that the regional strategies consisted only of pickings and of threads and that they made no pattern at all. That is the truth of the situation at present. We had designated areas and then we had special areas and then we had other areas, with the result that the department now has areas of one sort or another that cover over 50 per cent of Canada's population. Montreal, a large part of Quebec in addition to the Atlantic provinces and other parts of other provinces have been brought under the umbrella. The result is, of course, that there is no sense in the situation. The growth centre concept is gone, the designated area concept is gone. You have a dog's breakfast of all types of special and designated areas that are given some kind of consideration here or there, and nothing of value is happening.

The other day the Minister of Regional Economic Expansion told us—I forget exactly on what date but it was very recently—that 50,000 jobs had been created by the incentive program. The Prime Minister, during his speech in the debate on the Throne Speech, said that the department had spent $907 million in the three years of its existence and 50,000 jobs had been created. I am not saying that the 50,000 jobs are related to the $907 million; they relate to much less than that, but the fact is that the department has spent over $900 million in the three years of its existence. The minister says that 50,000 jobs were created. Can he tell us how many net jobs were created? Can he give us the figures as to how many net jobs there are and how many jobs were lost as a result of his programs? Was that figure reduced to 20,000 or 15,000 or 30,000? It has been reduced considerably.

Mr. Marchand (Langelier): Only two jobs.

Mr. Lewis: What the minister's department has done as a result of the lack of strategy or plan, has been to make it possible for the Duplate Company to transfer its operation from Oshawa to Hawkesbury. The result is that there is a more modern plant in Hawkesbury which will employ fewer people and the plant in Oshawa which employed more people than the Hawkesbury plant will close. The same was done in the case of Aerovox which was transferred from Hamilton, Ontario to Amherst, Nova Scotia, and in the case of Union Carbide a plant was transferred from Welland, Ontario to Beauharnois, Quebec. Then, there is the Findlay Company in Carleton Place which closed its plant quite recently when the parent company,

Belanger Limited received a DREE grant in 1970 of over $200,000, or rather was offered over $200,000.

Mr. Marchand (Langelier): They never got it.

Mr. Murray McBride (Lanark-Renfrew-Carleton): I rise on a point of order, Mr. Speaker. The hon. member is deliberately misleading the House and telling untruths. He knows that what he says is in error, and no member has the right to deliberately mislead the House.

Mr. Knowles (Winnipeg North Centre): And you have no right to split an infinitive.

The Acting Speaker (Mr. Laniel): I cannot accept the point of order that has been raised because it is merely a question of debate. The hon. member will have an opportunity in due time to refute or to argue what has been said by the Leader of the NDP.

Mr. McBride: The point I am making is that the record has been clarified in the House and no federal grant went to the Tappan-Belanger plant. This fact is well known and the hon. member for York South (Mr. Lewis) should not perpetuate an error.

Mr. Lewis: Mr. Speaker, if this servant of a higher authority had had the decency and charity to wait in his seat, he would have heard me complete my sentence.

Mr. McBride: Why raise it if it is irrelevant and not part of your case?

Mr. Lewis: Sit still and listen. No one other than the hon. member is misleading the House.

Mr. McBride: Try telling the truth.

Mr. Lewis: The parent company was offered a grant of over $200,000. Members will recall that when the matter was raised in the House the minister had forgotten that it was offered, and later informed the House that it was never given but that, in any event, it was cancelled on February 11 last. The date of the question and the date of the cancellation are of some importance.

Mr. McBride: That is untrue also. He made the statement on national television on the very day reference was made to the closing of the plant.

Mr. Lewis: Mr. Speaker, will you have this man—I forget his name and his riding; I do not want to remember it—remain in his seat and keep quiet.

Mr. McBride: Don't pretend you are interested in Carleton Place if you don't even know who the representative is.

The Acting Speaker (Mr. Laniel): Order, please. I think the hon. member should be fair to the leader of the NDP and let him make his speech. In due time the hon. member can take the floor and make his own argument. It is the responsibility of the Chair to keep order and members should address themselves to the Chair. I do not think that exchanges from one side to the other by members shouting from their seats will help make progress in the House.

Mr. Lewis: I think the only thing to do is to ignore the comments from across the way. Grants have been offered to a subsidiary of ITT to start a pulp mill when another pulp mill was closing down in Témiscamingue in the same province. There have been huge grants to povertystricken organizations like Parsons and Whitmore to build a pulp mill in Prince Albert, which is in operation, and another mill in Meadow Lake which the new Saskatchewan government cancelled, while pulp mills were laying off people in Quebec, New Brunswick, Newfoundland and Ontario. There has been no plan whatever and, I suggest to you that a good many of the jobs that DREE has created—50,000 jobs for the hundreds of millions of dollars spent are not too many anyway—were created at the expense of jobs of other people in other locations in this country.

I have already drawn attention on another occasion to the conflict of interest of members of the advisory board, Mr. Estey and Mr. Cork, which I think is not terribly serious, except that it indicates the kind of people from whom the minister and the department take advice, the kind of people whom they want to have.

Let me look for a minute at the situation in the disadvantaged areas. Remembering that I must not go over the 30 minutes, let me point out some indicators that show how utterly ineffective this very expensive program has been. Let us consider the investment in manufacturing. In 1961, investment in Quebec represented 55.1 per cent of investment in Ontario. Ten years later in 1971 the ratio dropped to a dismal 40.9 per cent. The Atlantic region's share of employment and manufacturing in 1961 was 4.6 per cent. Nine years later in 1970 it was about the same, 4.5 per cent. Quebec's share in 1961 was 33 per cent; in 1970, it was down to 31.3 per cent.

• (1220)

More relevant perhaps, and more important in terms of human welfare, is that in 1961 the Atlantic region's average weekly wages in manufacturing were 78 per cent of the average weekly wages in Ontario, and in 1970 its average weekly wages were only 75.6 per cent. The gap was growing, Mr. Speaker. The average weekly wages in what is known as the industrial composite, which takes in more than manufacturing, in 1961 in the Atlantic region were 89.1 per cent of those in Ontario, and in 1970 were 81 per cent, which represents a very serious increase of about 10 per cent in the difference between the Atlantic region and Ontario. The same is true for Quebec. Quebec's average weekly wages in manufacturing in 1961 represented 89.2 per cent of those in Ontario, and in 1970 this dropped to 87.6 per cent. If you take the Atlantic provinces' average annual wages and salaries together you find a drop from 79 per cent in 1961, as compared with Ontario, to 73 per cent in 1970 as compared with Ontario.

I am using the Ontario comparison rather than the national average because obviously the national average includes the low wage rates in the Atlantic provinces and in Quebec, and therefore would give a distorted comparison. The only sensible comparison is with a province like Ontario that will not include the low wage rates of these provinces. The same is true with respect to the per capita income in these areas.

Now, with these criticisms of the department and its failures, and I repeat that I make them not with any pleasure but rather with sorrow as well as with anger because of the necessity to do this, I view the elimination of regional disparities as one of the major objectives of the government of Canada and of this parliament. The immense failures of this department in this area, and the fact that there is no plan or strategy that indicates any likelihood of success in the future, are the reasons we put this motion on the order paper.

If I saw in the department, in any statement by the minister, in any organization that has been set up, any instrument established that showed there was a movement towards a plan, and that we knew what the plan was, then perhaps I would be ready to sit back and wait for ten years to see what the results were. But there is no indication that the department is changing its policies and programs. There is no indication of a plan or strategy, and therefore the failure is bound to continue. I want to suggest seven specific guidelines, proposals, objectives that this department ought to have if it is going to have any success whatsoever with this very difficult, almost intractable problem of regional disparities and regional underdevelopment.

I say first, Mr. Speaker, that to be effective, both in the short-run and in the long-run, we must develop an industrial and economic plan or strategy for the less developed regions of Canada, but that merely to have a plan for those regions will not do the job either. This plan must be part of a national plan for the use and allocation of resources so that, for example, there is a relationship between developing the pulp industry in one part of Canada and the same industry in another part of Canada, so that doing something in one section of the country is not harmful to another section of the country, because therein lies self-defeating regression rather than productive progression. Therefore, we need a comprehensive set of objectives in each region suited to the physical and human resources of that region. We do not need the building of monuments to Joey Smallwood or to somebody else. We need the development of job intensive industries, of a job intensive economy in Newfoundland, New Brunswick and Nova Scotia, related to the human and physical skills and resources available in that region.

Secondly, I urge that the program of this department must be directed to building and retaining viable communities rather than being concerned with enterprises whose main objective is the making of profits. If these underdeveloped regions of Canada were regions where profits could be made, the corporations would have been in there without the hundreds of millions of dollars that the minister offers them. They would be there because of the profits available. The reason they are not there is the fact that they cannot achieve in those areas the level of profits in which they, the corporations, are interested. Therefore, the total program has to be re-oriented to building human communities rather than being concerned with the making of profits.

Thirdly, the policy and direction of the program of regional expansion must be changed so as to enable direct public investment, where necessary, or a combination of public and private enterprise. A policy based on holding out carrots to private corporations has failed in the last 100 years and will fail in the future, for the simple reason that if investment in the disadvantaged areas could be made sufficiently profitable, the corporations would already be there without the carrots. Indeed, I suspect a good many of the plants would have been established there without the grants from DREE, and that the grants have merely increased the profits of the corporations, most of them foreign owned, instead of building up the economies of the areas. To make the program work, there must be direct public participation in one form or another for the social purpose of providing Canadians in these areas with the opportunity of developing conditions of equality with those in other parts of the country.

Fourthly, the policy of grants and loans and concessions to private corporations should be changed so that government grants would be matched by an equity interest in an undertaking for the purpose of giving the public adequate control over the activities and objectives of the enterprise.

Fifthly, all this also means that the department must play the role of initiator of projects and plans rather than merely replying to applications for grants. This is a very important change that must take place in the department. It ought to be developing plans and developing the kind of industry, the kind of enterprise, the kind of economy that is necessary, and go out and do this rather than wait for applications to be made to it.

Sixthly, I suggest that there is urgent need for new machinery which would involve direct participation by the provinces—not indirect, not merely consultative—and by non-governmental organizations in the development of the industrial and economic plan. In connection with representation on boards and agencies advising or assisting in this work, there must be measures to prevent conflict of private interest, something which is present in the advisory board which the minister now has.

Seventh, and finally, Mr. Speaker, to work effectively my party proposes that a meaningful regional development program requires that the Canada Development Corporation be re-organized and reshaped so that it becomes an agency responsible to parliament through the government, with large investment funds garnered by law from corporate investment sources as well as from individual Canadians. The role of this corporation must be redefined to change it from an independent mutual investment fund, which it now is, and which makes the CDC a socially useless organization, to become the source of development planning and investment, particularly in the less developed regions of the country.

As I said when I began, Mr. Speaker, I know of no task of this parliament or of the central government more urgent, more important, socially more necessary and morally more compelling than the job of equalizing opportunities and conditions across this country. This is what we thought the Prime Minister had in mind in 1968 when he made his commitment. This is what we thought the government had in mind when it set up the Department of Regional Economic Expansion. It is the failure of this department to achieve anything like the performance for which it was established and the failure of any indication that it has changed policies and programs and developed strategies and plans to promote equality in Canada that

makes us condemn the department and the government for the betrayal of an undertaking given four years ago.

• (1230)

Mr. Don Mazankowski (Vegreville): Mr. Speaker, in rising to support the motion proposed by the hon. member for York South (Mr. Lewis), and before getting into the main thrust of the motion, I wish to remind him that any time you have a socialist government you have a drab society. In addition, any time you get into the position where the three levels of government extract something in the order of 50 per cent of the GNP in the form of taxes, you are eliminating the freedom of the individual in the decision-making process thereby making society dull, unexciting and stale, and lacking in incentive. I believe that our main complaint against this government is its tendency to be socialistically oriented.

Our complaints against the Department of Regional Economic Expansion and this minister can be summed up in three areas. First, he has refused to give an accurate and precise accounting for the $1 billion spent in recent years; second, he has failed to define clearly the objectives of the programs of his department and third, he has failed to listen to sound and constructive advice from his own officials, experts working in agencies similar to DREE. Further, he has failed to heed the advice of Members of this House. I suppose, however, we can understand his refusal to accept advice from this side of the House. This is a common practice of this government but it is very difficult to understand why the minister should refuse to listen to those on his own side of the House.

I am sure we all recall very clearly the words of the Prime Minister (Mr. Trudeau) in the Throne Speech debate in 1968 when he said:

> The attainment of a just society is the cherished hope of civilized men. . . . To this end, the proposals . . . will include the establishment of a department charged with the objective of ensuring that people in all areas and regions of our country have as equal access as possible to the opportunities of Canada's economic development.

What is the record? By March 31, 1972, this government will have spent $1,030,636,000 on regional development programs. To this may be added over $200 million in loans. What has been achieved for $1¼ billion dollars? I submit, instead of the equal access to the opportunities of Canada's economic development which the Prime Minister promised, the depressed regions have had more than equal access to the economic stagnation which has been created by this government.

What has the Minister been trying to accomplish with his billion dollar expenditure? What has he actually accomplished? One of the clearest descriptions of the minister's performance was provided in the report of the Atlantic Provinces Economic Council as follows:

> The refusal of Jean Marchand to commit the Department of Regional Economic Expansion to the Atlantic Development Council's 1981 goals and targets for the Atlantic region is as inexplicable as it is disappointing. . . . It reinforces the suspicion that DREE is nothing more than a well-financed giveaway program to be extended or retracted according to the economic and political exigencies of the moment.

When members of this House and the public in general express criticism of the manner in which the Department of Regional Economic Expansion has functioned, particularly in respect of incentive grants, it has always been pointed out that we should consider what the alternatives might be in the form of welfare payments. Mr. Speaker, if the proposals put forth by the department are nothing more than a form of welfare, then let us do away with the department and combine it with the Department of National Health and Welfare. I believe that is a weak-kneed argument. I think the objectives of the programs should be to create jobs and meaningful employment, not to disrupt the social and economic well-being of areas as well as the job in other parts of the country. We find our criticisms being answered with statements of that nature, and we can only assume that this is a give away program which is perhaps tainted with political patronage.

Mr. Marchand (Langelier): Disgusting.

Mr. Mazankowski: The most visible of DREE's programs has been the payment of so-called industrial incentive grants under the Regional Development Incentives Act. Payments are still being made under RDIA's predecessor, the Area Development Incentives Act, but DREE will not reveal the amounts paid under each. For the two programs together, $244 million of public funds have been spent since this regime took over. In addition well over $100 million has been offered to companies but not yet paid. The department has evaluated the earlier ADIA program but is keeping the results secret. They claim it was surprisingly good at creating jobs, but provide no proof.

We have evidence that some projects were granted extensions while others were not, and no reasonable or legitimate explanation was given. A firm in my province of Alberta, the Smoky Lake Processing and Dehydrating Plant, complied very closely with the criteria of the old ADIA program but were refused an extension while other firms in the province of Saskatchewan were granted extensions and are going ahead with their projects, although all started at basically the same time. I have asked for the production of papers in this House but the government has failed to produce them. This leaves a cloud of suspicion over the manner in which some of these grants are allocated and awarded. The current RDIA program was designed to provide for an active planning role by the federal government and better judgment in choosing firms to receive grants. As numerous concerned and responsible people outside the department have stated, no such effective planning and judgment is evident.

Our member for St. John's East (Mr. McGrath) has pointed out that of the 49,266 jobs to be created through DREE's announced offers, at least 12,000 will likely never be created. Of the 18,537 jobs which DREE announced as expected to be created through grant offers in 1969 and 1970, 4,404 were later lost when the offers were withdrawn, declined or a firm went bankrupt. Of the offers accepted and announced up to the end of November, 1971, those relating to a total of about 5,000 jobs have subsequently been withdrawn, declined or lost through bankruptcy. Since these losses are often not made public until more than a year after the initial announcement, it seems probable, in view of the experience with the 1969-70 announcements, that 12,000 jobs that have been

announced will have been lost by December, 1972, through withdrawal, refusals or bankruptcies.

• (1240)

An. hon. Member: That is not true.

Mr. Mazankowski: The total number of jobs that were announced and still expected to be filled, if one subtracts withdrawals and refusals, was 44,790 as of November 30, 1971. The number of jobs actually in existence as a result of RDIA grants is nowhere near this total. As reported by the *Globe and Mail* on February 11, 1972, information on actual jobs created and actual grants paid is not available from DREE. The best estimate that can be made on the basis of available information is that only about 5,000 jobs are in existence as a result of DREE grants. This figure, however, may be a bit of an overestimate in view of the numerous cases in which firms have laid off workers after receiving payments or in which firms have closed a plant in one location and opened or expanded another in a designated region in order to receive a DREE grant. There are many examples of this sort of process.

Perhaps the hon. member for Lanark-Renfrew-Carleton (Mr. McBride) will not mind if I refer to the Belanger-Tappan case. The offer of a grant to the Belanger-Tappan firm was withdrawn, not because the company was going to close the Findlay plant, but because they did not do that soon enough. I believe the minister's statement outside the House indicated that the offer was withdrawn on February 11 because the company had not followed up its application within departmental time limits, even after it was given one extension. Mr. Speaker, I believe that this indicates that if the Belanger-Tappan firm had closed its Findlay plant and expanded the Montmagny plant sooner, the grant of $254,000 odd would have been paid.

This incident involving a plant closing is just one example of a more widespread failure on the part of the Department of Regional Economic Expansion and its predecessor. The department and its predecessor failed to co-ordinate, when creating productive capacity in an industry, that productive capacity with realistic projections of demand. By paying incentive grants that will promote the expansion of productive capacity without first ensuring that there is demand for the products which will be manufactured, DREE will simply displace workers and capital in existing plants. There is considerable evidence to show that this has already taken place, Mr. Speaker. DREE's policies and programs have had precisely this effect.

Mr. Marchand (Langelier): Give some examples, please.

Mr. Mazankowski: I am glad the minister asked for examples.

Mr. Marchand (Langelier): Yes; give examples, please.

Mr. Mazankowski: For example, in my province, Alberta, it was planned to erect a $10 million fertilizer plant at Redwater. At the same time, fertilizer workers in Calgary were being laid off. Another example involves overcapacity in the meat packing and processing industry. After one or two such plants had closed in Calgary, a new one was to be opened in Lethbridge with the help of a federal incentives grant. Look at the tire industry, which is plagued at present with production and marketing problems. Despite that, the federal government supplied a considerable grant to a French firm which wanted to develop a tire producing plant in one of the Atlantic provinces. Such actions can only create disruptive effects and harm the social and economic welfare of people in other parts of the country.

Let me cite another example. One might ask if there is a shortage of liquor in this country. Are our own distillers broke? Nevertheless, we have given $10 million to the Seagrams people at Gimli, Manitoba. I understand that another $10 million has been given to the Hiram Walker people at Kelowna. I am sure that the overproduction of skidoos and hockey sticks in this country will too bring about plenty of disruptive effects for industry. As I say, I am pleased that the minister asked me to give examples. I could give many more.

For instance, consider the proposal in Alberta involving the North American Integrated Food Processing Company which wishes to establish a large, integrated hog processing and producing facility in southern Alberta, merely because the area in question has been designated and because the company wants a federal incentives grant. The details of the proposed transaction are somewhat sketchy at present. I believe the firm has applied for the grant to the department the minister controls. It wants to erect a huge complex for processing between 200,000 and 600,000 hog carcasses per year. What effect will this operation have on the established processing enterprises in Alberta, as well as those in the rest of Canada? The point must be made, I believe, that, in analysing this application the department must consider that, right today, major facilities for hog production and processing exist in the central and northern parts of Alberta. That is where the potential for such enterprises exists, because that is where feed grain is produced.

Statistics show that from the area in which this operation is to be installed, something like 245,000 hogs went to the Calgary packing plants in 1970. This clearly means that there is no large scale production there. It means that if you are to develop a facility which will process for market up to 600,000 hogs per year, you will need to develop a new group of ancillary enterprises there. I fear that a large number of enterprises may become involved in this integrated processing facility and production in northern and central Alberta will be harmfully affected. This new added production facility in the southern part of the province may have disastrous social and economic effects which, in future, will affect not only the hog industry in the province but that industry throughout the entire country.

Census divisions, 7, 10, 11 and 12 which cover the northeastern part of Alberta produced about 700,000 hogs in 1970. This area, as I said before, is where many hogs are produced because feed grain is produced there. There is a potential for marketing 1,750,000 hogs which will be produced in that part of the province in the next four or five years. So, it seems clear that if any expansion is to take place in the processing and production aspects of this industry, it should take place in the area where there is production at present, where it has future potential and

such facilities should not be developed elsewhere. If they are, they will only cause major economic and social disruptions in the rest of the province and, indeed, in the rest of the country. I therefore urge the government to heed all the social, economic and geographic implications of any proposal or request involving the provision of grants that will assist the establishment of operations such as those to which I have just alluded. It should be obvious that economic and social reasons should govern the granting of loans, and not just political reasons.

May I continue with my remarks, Mr. Speaker? Before any more grants are given under the Regional Development Incentives Act, basic and fundamental guidelines with respect to grants should be established. For example, we should learn from the experience of the past and not give grants to an industry which is already suffering from an overcapacity of productive facilities and which is producing surplus products, or products it cannot sell. Secondly, I do not think that there should be an element of employee transfer in the matter of grants. That is, I do not think employees should be transferred from one area to another. Thirdly, the provision of assistance should be based on the need of the particular operation that wants help. It seems to me that the policies of this department work in exactly the reverse way. In other words, large companies which are financially able to discharge their obligations have a better chance of getting a grant than smaller companies. I believe that greater attention should be given to smaller industries, particularly in the rural areas, on the basis of rural decentralization. When we look at smaller organizations which may not have the expertise and legal ability to deal with all aspects of the legislation, we find their applications being turned down because of bureaucratic theory rather than practical business sense.

• (1250)

I hope the minister will take into consideration some of the effects of the experience which has been related as a result of the operations of the Department of Regional Economic Expansion throughout the past year. However, I want to issue one word of warning. No matter how excellent the specific means and objectives of the program of Regional Economic Expansion might be, there can be no reasonable degree of success—

The Acting Speaker (Mr. Laniel): Order, please. I regret having to interrupt the hon. member, but his time expired a few seconds ago.

[*Translation*]

Mr. Henry Latulippe (Compton): Mr. Speaker, it is always interesting to discuss economic matters such as the one before the House today, pursuant to Standing Order 58(4)(a).

The motion reads as follows:

That this House condemns the government for the disastrous failure of its regional development programs to make any progress in eliminating regional disparities and, in particular, condemns the government for the lack of planning or strategy in its programmes, for its total reliance on give-away grants to private corporations, most of them foreign owned, for the senseless practice of transplanting unemployment by assisting plants in one location while similar plants are being closed in another location and for the wasteful expenditure of large sums of public funds without appreciable results in jobs and economic development in the disadvantaged areas of Canada.

Mr. Speaker, may I say first of all that in order to have a sound policy and a sound economy, we have to take proper action.

Even if he is doing his best, the minister in the present circumstances cannot solve the economic problem because even the Pope could not do it. To do this, we would have to change our financial system which leads directly to bankruptcy.

The more we apply our economic system with its present structure, the more we increase the imbalance of our economy. It is true that a great many of our manufacturers go bankrupt because they are incapable of assuming their responsibilities. Our manufacturers cannot pay interest at 12 per cent on their borrowings, in addition to capital, a 50 per cent tax on such repayment, and let themselves be "devoured" by municipal, school and other taxes on production. There are all sorts of agencies which, under the present system, gnaw at the incomes of manufacturers and put them in a very uncomfortable position.

In several cases, industry cannot stand up, and this government can alleviate this situation—the minister did find a way—through the Local Initiatives Program that it has created so as to assist industry in various ways. The more we help industry, the more we enslave it and it can hardly survive. In fact, several industries may perhaps manage, provided others disappear.

May I call it one o'clock, Mr. Speaker?

The Acting Speaker (Mr. Laniel): Order. It being one o'clock, I do now leave the Chair to resume same at two p.m.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Latulippe: Mr. Speaker, before lunch I was explaining why foreign capital has so much control over the Canadian economy.

I was suggesting that it is because economic conditions do not encourage Canadians. First of all, it is increasingly difficult for Canadians to find capital to build plants, develop the country, do things the Canadian way.

Mr. Speaker, there are only two ways of getting capital at present: either you issue stock which is very hard to sell because Canadians have no money or because they are afraid of taking risks by investing in industry, or else you borrow.

Moreover, since governments absorb all savings by issuing bonds, Canadians invest with governments because they think it is safer.

Industry comes second. Governments are forced to get all the savings available in the Canadian economy, so there is almost nothing left for industrial development. This is one of the reasons why the minister has to come up

with local initiatives programs, with new plans for industrial development.

The minister had inquiries made and found that there were regional disparities in the country and that there were many parts of the country where it was almost impossible to establish industries, because of the level of poverty. But all those programs that the minister has created to develop industry have not prevented poverty, the running into debt nor the taxes and surtaxes which are draining everybody's pocketbook and are making it impossible for anyone to accumulate investment capital.

We are forced then, in order to accomplish something, to go into debt. In order to take advantage of the programs started by the minister, to obtain $20,000, $25,000 or $33,000, manufacturers have to come up with $100,000. This liability is an enormous burden for them. The large reimbursements necessary are taxable at all levels of government.

These taxes, as I said earlier, amount to more than 50 per cent. A good number of manufacturers have been helped by the department's programs, but they will not be able to survive despite it all. They will be forced to declare bankruptcy because of the policy which gives with one hand and takes twice as much with the other.

We have spent millions of dollars in grants to manufacturers who are bound to fail eventually because they are unable to make ends meet.

I think that the problem is of an economic nature, and as long as we do not decide to settle it once and for all we will experience again the plague that is afflicting us now and we will have only foreign capital for our development.

I have just learned today that, in my riding, there is a furniture factory which operates with great difficulty. It does sell its furniture, but cannot get paid because 50 per cent of the people are near bankrupt. If the economy were sound and balanced, the manufacturer could sell his products. An American firm has just offered $250,000 for this factory. Once again, another industry will pass into American hands, even though this is but a small plant employing only 30 people.

It is our economy which is sick. One can always blame this government, but what solutions are being proposed? What are the causes of all these evils? Let us get at the real causes to cure this serious disease which afflicts us.

Our wish is to see Canadians gain control over their economy, their policy-making. Since the end of the last war, the awe-inspiring progress of this country and firms, Canadian as well as foreign, has not prevented malnutrition, misery, poverty and economic insecurity from settling here.

Economic stability cannot be generated by imbalance. Inflation, unemployment, poverty are economic and mathematical problems requiring economic and mathematical solutions.

National unity is not only a matter of language or culture; it is also and above all an economic issue. It is almost impossible for Canadians to own their industries or their inheritance because land and school taxes are now so burdensome that thay amount to forfeiture of private ownership to the state and prevent most Canadians from owning their industries in security, including the house in which they live.

And this feature of our economy leads us directly to socialism, which is contrary to man's most elementary right to own undertakings and even a permanent home. Canadians are no longer able to own their own home. A little house costs four or five times what it should. Indeed, a $10,000 home is sold from $25,000 to $30,000 on account of interest charges. Until such time as we take the necessary steps to check further increases in property taxes, which contribute to the rise of the cost of living, we will have only destitute people who live from day to day, without any hope or possibility of becoming homeowners.

That is why the Créditistes are asking that property taxes be removed or progressively reduced. They are also asking that the Bank of Canada provide interest-free loans to municipalities, school boards, provinces, to improve public services, which would push taxes down.

We find that unfortunately the big eat the small, since many are bemoaning in shameful abjection. Manufacturers and individuals go bankrupt, farmers lose their farms, all of it without any other justification than the lack of money. The public lives in hardship, and governments in bondage. We must stop suffering from want when there is in the country everything needed to ensure affluence in each home.

So, instead of managing Canada, governments have become collectors of taxes of all kinds, and a big part of those taxes, the most sacred part, which must not be talked about is precisely the interest on the public debt. Few rise to protest against the interest paid on public finance.

• (1410)

So, Mr. Speaker, as long as we cannot finance our public bodies with money that is borrowed interest-free or at a low rate of interest, we will always be in the red; never will the Canadian economy know stability. We will know nothing but the disappointments, the discontent we now know. To solve the problem, we are moving towards dictatorship, and the governments have to step in with money they take away from the people who have too little as it is.

When the minister grants subsidies to certain industries, to allow them to expand or continue their operations, he takes it away from the ratepayers who do not have enough even now. And so, money is taken from one place where there is a lack of it and put into another where there is a shortage, in fact where there will never be enough money. So, that does not solve the problem.

When we want to develop new industries, new capital is needed and it rests with the government and members of Parliament to settle that problem. If we had new capital to make new investments and if taxpayers were free to make some savings, they would develop the country and the government would not have to meddle everywhere as it is doing at the present time. The government could show some leadership in Canada instead of taking over the assets of our citizens or compelling Canadians to mortgage their property and borrow money to do something.

We know that foreign capital is blanketing the country. It is a deficiency of previous governments which are not the only ones to blame, but it is also our fault because we have never taken efficient means to finance our production and especially our consumption, since production is meant for consumption. The consumer is the individual who controls production, and when the consumer lacks the capital, the means, when he is increasingly impoverished by taxation, taxes of all kinds, and deprived of purchasing power, he cannot create a demand for the production which therefore fails to achieve its purpose. The purpose of production is to satisfy requirements and when this purpose is not achieved the economy is not fullfilling its function.

There must be a reform of the economy, a substitution to be brought about by financing property and new production through new credits whenever new developments are involved, in order to leave the population with enough economic blood for normal development of our economy. Its smooth operation calls for normal tools. The government must do its job and this job is not to get citizens into debts, but to pull them out of the hole; and at present, the more the state interferes with the economy, the more it puts us in a bad position, the more the people are facing difficulties, the more the economy is out of balance and we go from bad to worse.

I believe in the minister; he is not Santa Claus but he does his best within the present system. I do not blame him beyond measure because I know that he is doing his duty, that he is sincere, that he wants to succeed. However I am also sure that he knows about the impossibility of succeeding in the present state of the economy. I know he will admit that improvements are needed in our economy. We must eliminate the big economic abuses within our system if we really want to create something practical and something truly communal in order to allow the community to live in its own country full of riches and in order to allow each individual to enjoy that part of the riches that is due to him.

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, in the last few weeks there has been much talk of regional economic development inside and outside the House. This afternoon I will try to deal with this matter as dispassionately as possible. I know I will probably have to start all over again before the committee, which is quite normal, as members of this House are entitled to know what we do with the millions, and even hundreds of millions of dollars which are voted by this House, how we use them, and whether we really reach our objectives.

What strikes me in this debate, Mr. Speaker, is not so much the attacks made. Of course, there are little pinpricks, little hints, because when people cannot prove something and they think they can do harm to the other person, they resort to such hints.

People refer to the election fund and to the relation which may exist between donations and grants made by the department and, let us say, the Liberal party. I thought it rather amusing that one of the organizers of a recent Progressive Conservative banquet in Toronto was employed by a branch of a company which had received very nice grants from my department. Anyway, you only have to read the *Globe and Mail* to see this. It is perfectly natural. Some supporters of other opposition parties have received such grants, which is perfectly natural. This is a thing about which we are extremely careful; we make sure that this program will never lose its worth in the eyes of the public, precisely because tricks like those I have just mentioned would be resorted to by the powers that be.

But for all our caution, and even though I know that all the hints which are made—by people who do not have the courage to assert things—are lies, people still go on doing it. They go on repeating and whispering those things, which is certainly no way to improve the Department of Regional Economic Expansion. I have not found one person who was really interested in making improvements. All they are interested in is making small electoral and political gains.

Actually, in order to find constructive criticisms that would really improve the Department of Regional Economic Expansion, I have to refer to documents and speeches of other persons than the members of the opposition. These criticisms are not always favourable: I read last week the important paper written by Dr. Firestone. It is a very serious document wherein Dr. Firestone questions with equal seriousness, some of the programs I implement. I think it is an honest study and I would like to discuss some points with him, since his criticisms differ from what I have been hearing since this morning.

What have we been actually hearing since this morning? Let us consider the gentleman who is deemed to have reached, intellectually speaking at least, a fairly high level; I refer to the leader of the New Democratic party, the hon. member for York South (Mr. Lewis). What did he tell us? He touched on general topics and when he came to specific cases, his figures were all wrong. He claims in effect that economic development requires the establishment of humane societies. When I hear such opinions, I am all at sea.

He spoke about grants and means of destruction. Anyhow, this is the usual way that the department is spoken of. Before we come to these cases let us simply state that almost one third of my budget is earmarked for grants. The remaining two thirds are spent on joint programs with the provinces, either under ARDA or FRED. We discuss things with the provinces and the municipalities in order to carry out real projects.

• (1420)

However, all you hear is talks about grants. It would seem like the Department of Regional Economic Expansion has nothing to do but give grants to large companies, especially American companies. This is the criticism the opposition has been directing at the department which set out to reduce regional disparities as its objective.

So, here is the great theorician who is supposed to be very much aware of those problems, who is supposed to have a sophisticated social conscience, making this very artificial criticism that we must form human societies, that we must not necessarily give grants to large companies, especially large foreign companies. On that point, of course, there were virulent attacks saying, why give grants to Rayonier Québec Inc. (ITT) in Port-Cartier,

when another mill is closing down in Kippewa, Témiscamingue? Is that a program that makes sense? To create jobs somewhere and knock some off somewhere else! It is certainly impressive, Mr. Speaker. However, the facts are less dramatic than that.

The Canadian International Paper company in Kippewa, Témiscamingue, decided to close down because for a great number of years it has been coming up with a deficit and all its projections for the future point to deficits. It does not even want to modernize its mill. The mill of Rayonier Québec Inc. (ITT) in Port-Cartier just received a grant, It will starting operating only in 1974. So, the CIP in Kippewa, Témiscamingue, is closing down in May, because in May 1974, another mill will start operating because they have a different market and are supposed to sell all their pulp in Europe. Here is the first great scandal.

I find this scandalous. I met the president of the CIP, Mr. Monze, I tried to convince him by telling him, listen, what if we tried to help you modernize, etc. He replied: "No, transportation costs are absolutely prohibitive, we cannot keep on operating the mill. If you want it, it is yours."

The member for York South said that it is because a grant was paid to Rayonier Quebec Inc. that the other industry is closing down. That is the first great scandal of the Department of Regional Economic Expansion.

The second has to do with Duplate of Canada Ltd, which left Oshawa for Hawkesbury. This case is not quite perfect as these are two Ontario municipalities. One of them should have been in Quebec for the case to be more perfect. Anyway, those are two Ontario municipalities and this took place under the old industrial incentives program which was amended because we had no freedom of movement. When a company settled down in a designated area it had to be given the grant provided for in the act. The minister was powerless, but the Department of Regional Economic Expansion came under strong attack. The act was amended and even the NDP members were scared: the discretion given to the minister might be used for patronage. They are convinced of that.

We wanted to change the act because we did not want such things to happen, that is to say that companies would move out and settle elsewhere to obtain government grants. This is a strong argument against the Department of Regional Economic Expansion!

Another is Michelin Tires Manufacturing Company of Canada Limited. The situation is identical. The grants paid to this company were paid under the old act. They had been asked for by Nova Scotia; the provincial government insisted on it, helped this company and I had no choice: I had to pay that grant as provided for in the act. This company has nevertheless created 1,800 jobs in Nova Scotia.

Let an hon. member from Nova Scotia attack that in his province. Let him go there and do so. It would be absurd.

Similarly, hon. members from Alberta will not be able to rail in Grand Prairie against the Procter & Gamble mill. Let them try if they have enough courage.

In any event, the Michelin affair is yet another scandal. That was under the previous act and we had no latitude.

[Mr. Marchand (Langelier).]

There is another case, and it is a perfect one, because it involves two provinces. It is that of Aerovox Canada Ltd. which moved from Hamilton to Amherst, Nova Scotia. Factories shut down in Hamilton. The hon. member for Regina East (Mr. Burton) will surely remember that: Factories are closed in Hamilton in order to create jobs in Nova Scotia.

What is the good of that? And $235,000 went for that. There is no sense in running a department that way.

So where is the truth, Mr. Speaker? It is so simple. Anybody calling my office over the phone would have been given that information. Only they do not want to know the truth, because it is annoying. The truth is that we heard one day that Aerovox Canada Limited had decided to close its plant in Hamilton, that is all. They did not even ask for the department's permission. They decided to meet the needs of the Canadian market with their American plants. The first thing we knew was that the plant was closed. We thought maybe we could get them to stay in Canada. And so we engaged in discussions with the company as to the possibility of a grant, not so that they could leave Hamilton and settle in Nova Scotia, but to prevent them from leaving Canada and to provide for jobs here in Canada. And that is how we came to offer a grant to the Aerovox Canada Limited Company.

So people cry shame again: The department created jobs somewhere in order to eliminate jobs elsewhere. The facts were available. A phone call to my office would have been enough to know what had happened. There would have been no need for a debate. But people wished to cry shame.

Other speeches were delivered but I will not say anything about them at this stage. There is still a much better example but it would be hard to deal with it, for as far as politics are concerned, dealing with it now would be playing with dynamite. I will keep it for some other time.

I will now talk about Union Carbide Canada Limited, which left Welland, in Ontario, in order to settle in Beauharnois, in Quebec. "Ah, here is a wonderful opportunity for Ti-Jean Marchand to develop industry in Quebec, to the prejudice of industry in Ontario." The case they wanted, they have it at last. Now what is the truth about Union Carbide Canada Limited? That firm decided to settle in another country. And I could name it and if there is no objection on the part of the company, I may do it. The company said: There is no chance of success for us here, in the present circumstances. Here is what we are offered in some other country and we would be interested in going there.

And it was at that point, that we began negotiating with the company in order to find out where they could operate economically, and they chose Beauharnois. What a scandal! A French-Canadian member of the Cabinet is short-changing the industries of Ontario, is eliminating employment over there in order to create jobs in Quebec!

Mr. Speaker, what a whopper! This is the kind of criticism being aimed at the Department of Regional Economic Expansion.

This morning, my hon. friend from Vegreville (Mr. Mazankowski) was overly critical in his remarks. I could recall the details. But let me tell him right now that

practically all the cases he quoted, if I am not mistaken, come under the old act and not under the new one. There may be one exception. However, with your leave I shall reply on some other occasion. He may question me in the House, if he cares, but I could not afford enough time to prepare a summary of the cases coming under the old act on industrial incentives. My department had no choice, it had to do something about it.

Well, this is the scandal that was referred to this morning! We are charged with having provided grants to American corporations such as IBM. However, no mention was made of the funds that were provided to Stelco, for instance, a provincially-owned Nova Scotia steel company. This steel company would have shut down within a few years, had it not been decided to have it modernized now. The Department of Economic Regional Expansion granted this company $15 million so it could modernize and continue operations, but not a word is said about that. No, not a single word! This is much too risky.

We did also help Dosco Industries Limited, in Quebec. The amount involved was much smaller, but we did help them.

Were there any responsible remarks made about that? No doubt the hon. member for Egmont (Mr. MacDonald) will raise a point because, according to him, it is obvious the department did nothing. One only has to refer to the speech delivered by the hon. member for York South (Mr. Lewis) to note that nothing whatsoever was said about it. We are being accused of lacking a global strategy and of making whimsical ad hoc decisions.

• (1430)

There is first of all, an overall strategy, which may be criticized as such, as the hon. member for Egmont will probably not fail to do. I am thinking, for instance, of the FRED program in Prince Edward Island. I am not saying it is perfect. I say: Here is an effort made by two governments—the one in Ottawa and the one in Prince Edward Island—in order to try and establish a comprehensive 15-year program to improve the situation. Let people criticize the program—I do not know whether I will be here when the hon. member does so, but I find this perfectly natural. I am not saying we came up with a masterpiece. But to go and say there have been no efforts made is really to be irresponsible.

Some members of this House claim that some day they will be able to govern this country. This is rather amusing, especially when their leader is talking!

If people want to criticize the Eastern Quebec Planning Bureau, they can do so—it is an overall program. Studies were started in 1960. Mistakes have probably been made. There are still some things we will be changing—but to go and say that there has been no overall effort, no overall strategy, to try and develop that area is to be so partisan that it makes me wonder how such people can possibly claim that they are representing public opinion in the House of Commons!

I am not trying to put an end to criticism. I know that newspaper reporters are so fanatic that they are bent on slaughtering us by saying: You cannot even criticize what Mr. Marchand is doing, he is so thin-skinned. I do not mind criticism. I spent my life being criticized, and also criticizing others. I do not object to it.

However, Mr. Speaker, I am shocked by the kind of talk which I have been hearing in this place since this morning. I am shocked that public funds are used to provide research staff for the opposition parties and they do not even bother using them to call and check the most basic facts.

People have tried to prove how irresponsible the department was just because there have been bankruptcies. The hon. member for St. John's East (Mr. McGrath) seeks out bankruptcies and hopes to detect the smell of petty scandals somewhere, and that will be funny. No doubt it will be. Besides, this is his job, but I regret that he does nothing but that. He should also do something, for example, to understand what is being done generally. It is true that bankruptcies have occurred. I am aware of 14 since the implementation of the new program and they amount to almost $900,000. I am not happy about it and it will be necessary to exercise more caution in the future, all the more when $40 million have already been paid up to now.

I am not happy and I do not like it, Mr. Speaker, but I do know that the leader of the hon. member for St. John's East has, in a single shot, lost around $30 to $40 million with his heavy water plant. This does not mean that the former premier of Nova Scotia is a thief, since he tried too much, but it can be said that he lacked foresight. Anyway he missed that opportunity.

I wonder therefore why people are shocked when a minister tries out new programs. Of course, a number of mistakes on bankruptcies may occur and that does not make me happy, far from it, but I will try to correct them.

Now people give us advice but the way they go about it is like my saying to a mechanic: "Look here, old man, before you find out what the trouble is with this car, have you turned on the ignition key, have you put the car into gear?" But people would say to me: "Listen, this is a mechanic."

An hon. member has asked: "Have you conducted market surveys? Are you aware that the construction of a plant would eliminate another and that you do away with jobs in an area and create others elsewhere? Do you take this into account? Well, we have extremely competent people—

[*English*]

Mr. Mazankowski: That is gorgeous.

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, the hon. member may come to my department. He could spend one day there and would not understand anything.

Those studies are carried out most seriously since we want all these programs to be efficient.

[*English*]

Mr. Mazankowski: When are you going to answer the phone calls?

Mr. Marchand (Langelier): You spoke this morning and I gave you every opportunity to speak without interruption.

[*Translation*]

Mr. Speaker, of course we are extremely careful about it. We know that no regional development can take place if those things happen systematically.

The Department of Industry, Trade and Commerce studies each case, as does the Department of Agriculture when it is concerned. For instance, a case was mentioned this morning by the hon. member for Vegreville (Mr. Mazankowski), and what did he raise in the House? Not the case of an application but that of an exchange of letters and apart from that we have advised the company that we do not accept because the Department of Industry, Trade and Commerce believes that we are not justified to accept. This is another scandal raised by the hon. member this morning.

• (1440)

There is nothing at all. There is not even any application. As to the exchange of correspondence, we have said no. Your proposition is preposterous. The hon. member then says: How disgraceful.

At any rate, insofar as we are interested in connection with foreign capital, I have but one thing to say: I would be the first to wish for an economy more independent from the American economy, and I would prefer that Canadian companies show real concern about regional development. However, as long as I will be Minister of Regional Economic Expansion, I will not accept that underdeveloped areas be imposed limitations which do not exist for other areas. Besides, the members of the New Democratic Party are realistic enough to admit that if an American company, for instance, were prepared to establish its operations at Halifax after obtaining a grant, it would be told: No, you are an American company, you will not get the grant. Then, the company could set up shop elsewhere. That criticism makes no sense.

In fact, one of those who asked me to support the establishment of Boeing of Canada Limited in Winnipeg was the Premier of Manitoba, and I do not hold it against him at all. He did what he had to and his electors would not have forgiven him if he had not done so.

That, of course, does not mean that Mr. Schreyer is in favour of American domination over the Canadian economy. I am convinced he is not, but the rules of the game being what they are, why should Winnipeg have been deprived of it and why should the company have settled in Montreal? That does not make sense. Some criticism that is!

That the New Democratic Party should critize in general, that is its policy, and I have no objection to it. But when it tries, on the basis of the regional economic expansion program, to impose upon underdeveloped regions restrictions that are not imposed elsewhere, that really does not make sense. From a political point of view, not a single member could survive in a area if he behaved in a such a stupid way.

Of course Mr. Speaker, they say that nothing has been considered in our department, that we have 2,000 employees who cannot think. It is difficult to organize a department with 2,000 individuals who are dull! In the first place, the prairie farm rehabilitation program in western Canada is efficient.

Under the FRED and ARDA programs in the Interlake area, some extremely interesting things have been carried out.

I am also thinking about the special areas on Prince Edward Island.

Nobody could make me believe that Quebecers do not appreciate what has been done in the Quebec City special area.

We will hold a meeting. Let our friend from Saint John-Lancaster (Mr. Bell) say in Saint John in New Brunswick that what we have done is stupid!

When all this was discussed, we set objectives and we are trying to develop, to use all this. No. Here is the sentence. The leader of the New Democratic Party has said that this was—

[*English*]

—a complete failure; it achieved nothing, nothing at all. Just give money away, that's all.

[*Translation*]

That is right. As long as the parties do not show more responsibility in the House, how can one expect the Canadian people to progress rapidly.

Once again, it is not because I am sensitive to criticism. On the contrary, I was reading what Mr. Firestone has written. Some passages are hard to accept, but here is a man who has stopped to think, who has done more than collect newspaper clippings and state in the House that what they say is true, without even checking when they can do so. They do not, because they probably find it too tiring.

Mr. Firestone does better than throw stones and suggest that all that helps to fill the party's coffers. Marchand is the bagman. The right hon. member for Prince Albert (Mr. Diefenbaker) has spent his political life making insinuations. Furthermore, he has succeeded in getting rid of a number of people, one of whom I am probably replacing here today. But, I will tell him one thing: I am fairly thick skinned!

They will never get me that way.

As for hon. members—and I do not mean those of the New Democratic Party—who are obviously trying to do the same, I say to them that they have the wrong number, and that they will surely have a lot of trouble anyhow. The leader of the party should not try to go his own way so as to look like the nice chap while the others are doing the dirty work. I do not indulge in racism. I will never do that. I admit that they are free to criticize me and I will not hide behind the fact that I am a French Canadian to say: Because I am a French Canadian minister, they must not touch me. I am in the ring, granted; let them hit me, but fairly and not in a racist way, as a certain number of members are doing now.

So, Mr. Speaker—

[*English*]

Mr. Howard (Skeena): Who is attacking you because of that?

Mr. Marchand (Langelier): I just made an exclusion of your ranks.

Mr. Howard (Skeena): I didn't catch that.

Mr. Marchand (Langelier): I just said I am not talking about this part of the House, but some others are, definitely, and I don't want to play that game at all. I just want to say that they are not going to succeed the way they succeeded a few years ago; that is all.

[*Translation*]

Mr. Speaker, all I want to say—some do not agree but I don't care—is that I do not mind dying provided I feel it is for a good cause.

Here is a department honestly trying—even the hon. member for York South said so—to correct an extremely difficult situation without any doubt. We do not have at our disposal any instrument for that purpose. We can always try with grants. Furthermore, there are the ARDA and FRED programs. With DEVCO we are attempting to ensure development on Cape Breton Island.

We are trying to re-examine all programs, and we have made mistakes. It is really difficult to develop a strategy. We are told: You are not through, you are going against the recommendations of the Atlantic Development Council. It is not true, Mr. Speaker, and I said so in the House several times. I am opposed to one thing only, namely, to determine the number of jobs which will be created in the Maritimes within five or six years. I am opposed to it because I don't know what the answer is. In fact, here knows and any prediction in this regard will only tend to confuse the public and create false hopes. So I do not know. If 175,000 jobs can be created, I will be the happiest of all.

As far as everything else goes, Mr. Speaker, in terms of development strategy, objectives that have to be reached, growth centres, we are in full agreement with the Board and my Department is geared accordingly. I have no objections to criticism in that regard, Mr. Speaker. But I will not have it said that the special zone program is not sound, that we should not choose a city but rather a region; that we should not move in such and such a direction and that we have so much money to spend. The criticism should be knowledgeable and make allowances for the means and instruments at our disposal.

This is not the way the criticism goes. They say: Union Carbide has moved from here to there, the jobs have been transferred, bankruptcies have occurred, etc. This is the only thing that interests vilifiers, but they don't even know the dates of expiry or application of the different pieces of legislation.

I sincerely regret the waste of time incurred for the House and the nation with such childish, futile criticism while I am sure some of these people could express constructive criticism as they are both intelligent and knowledgeable. Since we are in a pre-election period, they probably are only interested in making political mileage and engage in mud-throwing. I am sorry, but I think the mud they are throwing will boomerang. I know there can be errors, I know our programs are not perfect, but I believe in the honesty of our people and I know that the administration of the department is irreproachable in trying to reduce regional disparities.

Then we are told: "You say that you have created 50,000 jobs, but it is not so." Is this clear, yes or no? It is very clear. All people have to do is peruse the documents: Everything is there in black and white.

The hon. member for St. John's East (Mr. McGrath) has a big deal. An official of the department probably tipped him off. A telephone inquiry apparently revealed that the number of jobs created under the previous plan was 19,000 instead of 40,000 or 45,000. That would mean that previous statements were not true. The inquiry covered only part of the previous plan which included three parts: grants, tax debates and corporation expansion.

The inquiry applying to the first part only could evidently not yield the maximum figure. It is strange that it should correspond exactly to the figure we had forecast for new ventures. As I have already told him, he does not know how to interpret figures. Nor do I, for that matter. I am not too good at it, but I have enough humility, when faced with statistics, to ask an expert to interpret them, instead of coming to the House to talk rubbish.

They may criticize my department in a constructive way, they may tell us what we should do to eliminate regional disparities, to try to neutralize the centripetal forces which play an important part in Canada. I do agree with that.

I have read the program of the New Democratic Party. Except for generalities, there is absolutely nothing in it. They do not propose any technical innovation nor any means of action.

They tell us: Why not concentrate your efforts on crown corporations? But what are we doing with respect to Multiplex at Saint John in New Brunswick?

• (1450)

What do we intend to do elsewhere where we had inquiries made and where we want to try new instruments? We will try them all. This cannot be done overnight. We may have had weaknesses, maybe we are not going fast enough. Let the criticisms bear on that, but I am not going to take the trouble of answering vague charges. Someone has said that there has been corruption and discrimination in the case of Quebec. That is what they say behind the curtains. I am not going to bother answering those insinuations. If anyone has anything to suggest, I am ready to listen to him for the greater good of Canada.

[*English*]

An hon. Member: Are you looking for an appointment?

Mr. Marchand (Langelier): Yes, I am going now—

Mr. Deputy Speaker: The hon. member for Egmont (Mr. MacDonald).

Mr. Marchand (Langelier): Mr. Speaker, I do not intend to snub the hon. member, but I have to go now to an appointment. I shall read it in *Hansard*.

Mr. Howard (Skeena): Hit and run!

Mr. Marchand (Langelier): No, I hit your boss and run.

Mr. David MacDonald (Egmont): Mr. Speaker, it is unfortunate that the minister, in the concluding lines of his speech, said that he would welcome suggestions and then had to leave the chamber. I hope he will not only read my speech but respond to it.

As the Minister for Regional Economic Expansion (Mr. Marchand) spoke, I looked to the Chair a couple of times to see whether Your Honour was still there. At several points during the speech I assumed that Parliament had been dissolved and a general election called. Certainly, it sounded to me like the opening shot of the minister's defence.

It is unfortunate that the minister, during his time in office, has been unable to distinguish between two basic functions of public life: the exercise of one's duties in whatever responsibility one is called upon to perform and the perpetuation of one's political role. The minister has always lumped the two together so that we get speeches that sound for all the world like Grade A stump speeches—they are full of sound and fury, signifying you know what. This is a very sad fact, particularly to those of us who have a very great interest in and basic concern for the administration of the Department of Regional Economic Expansion.

If ever there was a time when there was need for a concise and rational explanation of the problems of the Department of Regional Economic Expansion, it is right now. The minister has repeatedly failed to come to grips with the legitimate questions being raised by opposition critics. In addition, he has not come to grips with the constructive suggestions from his own office, his own advisory council of rural development, the council for the Atlantic provinces or the Atlantic Provinces Economic Council. I do not think the minister could accuse the latter of being partisan.

I, therefore, find it incredible and sad that the minister should think that the only defence he has left for his departmental administration is to launch into the kind of sweeping, general attacks that do no one any good and negate the hard work being done through his department. Surely, it is difficult for the most objective observer to take the minister seriously when he suggests, and I quote him, that "No one wants to find out what the truth is" or that he has not heard one criticism from anyone who is anxious to improve the situation. Does the minister really understand the particular weaknesses of the present programs and policies of the department?

In debate and discussion in this House, he should be outlining the steps being taken to alter programs or compensate for some obvious faults in evaluation.

Mr. McBride: You heard the hon. member for York South (Mr. Lewis) and the hon. member for Vegreville (Mr. Mazankowski) this morning.

Mr. MacDonald (Egmont): I heard both speeches but I am not aware that either of those members has the responsibility for running this department.

Mr. Peters: Just because he defeated you in Renfrew, don't cry.

[Mr. Marchand (Langelier).]

An hon. Member: This looks like a United Church squabble to me.

Mr. Deputy Speaker: Order, please. I have to remind hon. gentlemen that the hon. member who has the floor should be heard.

Mr. MacDonald (Egmont): Mr. Speaker, I would be tempted to say it is "all in the family" but I think that has a dangerous connotation these days.

Unfortunately, the minister's penchant for flying into oratory rather than viewing the substance of issues, has been carried into the department itself. That is not to say that the department is sending forth apostles to preach in the same virulent manner as is exhibited by the minister from time to time, but there has been a paucity of objective information from the department about the success being achieved and about the evaluation of programs attempted during the past 2½ years. There has been a lack of information ever since this department was established. There has been no opportunity for a public evaluation and no real suggestions in concrete terms for guidelines in the administration of vast sums of money.

• (1500)

Are there guidelines, for instance, to suggest the criteria that ought to be followed if departmental policies are to meet with success? There should be some guidelines. Is the department following any industrial strategy, or is it merely accepting the present industrial structure of this country? One is led to believe that that is the case. Also, others suggest that the department is trying significantly to alter the industrial structure of the country.

Apart from some inconclusive signs that one might try to decipher there is no information coming from the department, no factual statement to indicate what the present situation is. Members of the House and the general public need factual information if they are to understand whether headway is being made in closing the economic gaps existing in our country. We want to know, as well, when the federal government has initiated new programs and when there has been a proliferation of provincial schemes in this country, if many of these don't work at cross-purposes to some degree with respect to incentives provided by other agencies of the provincial governments or the federal government.

Valid questions have been raised from time to time about the end benefits accruing from the kind of general incentives approach which has been adopted by governments in this country. It is time we had concrete information so that we might know whether incentive grants are actually reaching their supposed goal of creating economic activity and closing to a certain degree income gaps in this country, or whether major benefits are going to company investors and shareholders.

In his speech the minister suggested that people were accusing him of giving away money, and that was all. Anyone who thinks that that is the major strategy or policy that motivates this department can only have been strengthened in that belief by the minister's performance earlier this afternoon. If the minister's remarks represent the best intellectual arguments and rationale that can be brought forward in defence of present regional develop-

ment policies in this country, then we are in a very sad state indeed. In no way has the minister alleviated growing apprehension that the department's program is a kind of giveaway program and that our regional development policy is governed by a handout mentality. Certainly many provincial premiers, especially the premiers of wealthier provinces, might think that is so. The minister has done nothing to show that that opinion is wrong.

I come from an area of chronic economic disparity. In the final analysis we are concerned not with aid but with trade. That is the cliché used by the people of underdeveloped countries and it is a good cliché to apply to the development policies of the federal government. After all, would it not be better if such policies were tailored to establish real trade and to abolish economic disparities? At present they seem to consist of stopgap measures of the kind that are too much in evidence.

At the beginning of my remarks I said there has been far too much secrecy about the operations of this department. I suppose that if we want information we shall have to rely on leaks slipping out from underneath bureaucratic doors, because so far there has been no objective presentation of information regarding the effective workings of the department. Until this information is made available to us, how can members of the House know if the department is being viably operated?

In the meantime, some people pay lip service to the work of the department. When the minister or his officials talk about consultation between the federal department and provincial departments as well as other agencies, they are not really talking about consultation in the full sense of establishing an over-all policy or strategy; they are talking primarily of negotiations in which regions, provinces or various groups see how much money they can get. That, really, is the sort of consultation that takes place at present. We must recognize that there must be genuine consultation between the various agencies that play an effective role in the development field. If there is to be consultation, there must be genuine public participation in the field of development. Public participation in the field of development, if I may refer to myself, is my hobby-horse. I ride it hard because I feel this philosophy crucial to the concept of effective basic development. The importance of that field has not been sufficiently recognized by the federal or provincial levels of government.

I am convinced that no major alterations will take place in the economic regions of this country which are presently underdeveloped and underutilized until there is a sufficient measure of public participation in this matter. I think this question has been fully and interestingly elaborated on in a document that comes in a sense from the minister's department. I am referring to the third report of the Canadian Council on Rural Development which reads in part:

> In the first place, a development program of any kind needs to identify with reasonable precision its goals and objectives.

This statement, perhaps, might be news so far as the minister and his officials are concerned if it had not been made three years ago. Yet here we are, three years later, still waiting for some kind of reasonable and constructive response from the department. The report continues:

> Secondly, programs must be instituted consistent with these goals and objectives. These programs must be continuously evaluated both in terms of their effectiveness and in terms of priorities.
>
> If this is not done those concerned with the operation of the program will not know whether they are succeeding or failing, and, for that matter, neither will the public.
>
> A general declaration of intent is too vague to function as an operational goal. It is not enough, for example, to say that the goal of the Department is to iron out regional economic disparities. This is of the same rather unhelpful level of generality as to announce a program to fight inflation, or bad health, or crime. We tend to assume that Canadian governments seek to counter inflation, bad health, crime, regional disparity, and so on, as a matter of course.

Obviously, we need information and specific targets to which we can point. Secondly, Mr. Speaker, along with consultation there is need for effective co-ordination. I have said repeatedly, and I will go on mentioning this until the minister and his officials get the message, that the programs of the department need co-ordinating. Not only must there be co-ordination of specific programs which have vital roles to play—in earlier days we had in this area programs such as ARDA, AIDA, FRED, and so on—but there must be co-ordination with respect to many decisions which have ramifications for regional economic development. For instance, there must be co-ordination in such areas as fiscal and monetary policy. We must take into account the differences in the kinds of economic disparities that exist in the regions and there must be co-ordination in specific fields such as transportation.

Only last evening in this chamber I talked about the eight increases in freight rates which have taken place in the last 23 months. The level of freight rates has become prohibitive and has not helped our agricultural industry. Actually, freight rates have had a negative effect on the sale of basic commodities such as potatoes from Prince Edward Island. One can see what has recently happened with regard to feed grain assistance affecting parts of Atlantic Canada.

Also, we need to examine our tariff policy. Transport costs add to the cost of production. Although an initial grant may help a firm to get over the initial difficulties associated with establishing a business, such grant will do nothing to lower other ongoing costs of manufacturing and shipping.

Recently the Prime Minister has been telling us that the government is to introduce a policy with regard to foreign investment. He said something about domestic control of the national economic environment. I have directed questions to the Prime Minister ever since before Christmas. All that he has said since Christmas suggests he has engaged in the most perfunctory kind of consultation with the provinces with regard to what is possibly the most important decision in the national, economic field that might be made by this government.

• (1510)

It does not require too much brilliance to realize the amount of anxiety that exists in Atlantic Canada and with premiers in other parts of the country about prejudicial decisions that might be taken with regard to foreign investment and economic possibilities. We desperately need a national and economic strategy for this country, not one created in the isolation of the east block, apart

altogether from the regional realities that make up this country.

The Prime Minister pays lip service to federalism in his constitutional preoccupation but completely ignores it when it comes to the nitty-gritty of economic management of this country. It is possible for a federal government to concentrate on elaborating a policy of foreign investment without the widest possible consultation concerning, among other things, regional economic disparities? Concentration on and elaboration of programs in the Department of Regional Economic Expansion must also exist with regard to the levels of authority in this country.

Surely by now there should be consensus on our goals and strategy, consensus as to what are the real social and economic indicators which show some measure of achievement or failure. There must be frank recognition of the regional economic variations that exist in this country. This government has never clearly stated that it recognizes there is today diversity in the economic needs and possibilities that exist within the various regions of the country. While the department continually reports the large sums of money it has expended, what has it really done to encourage some of the human realities of this problem? In the part of the country from which I come there is need for very heavy emphasis on the establishment of improved management and entrepreneurial capabilities. Without that kind of encouragement and very active stimulation, what can we expect?

In a general way, we need a grand design for the Atlantic region and other parts of the country. The minister pleads that DREE is new and has been in operation for only a few short years. This is not the first country, and he is not the first minister to be faced with the problem of economic development. The people who live in the Tennessee valley in the United States can tell this minister and his officials much about what it means to participate in a grand design.

The minister must realize by now that if the major issues of economic development in the Atlantic provinces are to be met, this cannot be done with a piecemeal handout approach such as has been adopted. We must think again about the establishment of a Crown agency within the Atlantic provinces which can function in an effective and decentralized way in dealing with the realities that exist in that area.

I believe that while the Atlantic Development Board was in many ways an imperfect structure, it was a much more important force, even if only potentially, than the Atlantic Development Council which seems to have little influence with the present ministry. Having benefited from the experience of the ADB, perhaps we should now engage in a program of establishing not just a Crown corporation mandated by the federal government but a new development agency mandated by the federal government and the four provincial governments within the Atlantic region. Surely on that basis, and with the widest path of public participation and the realization that specific goals and criteria have to be established, we just might be able to make some reasonable, measurable progress in this important area of regional economic development.

[Mr. MacDonald (Egmont).]

[*Translation*]

Mr. Herb Breau (Gloucester): Mr. Speaker, I take this opportunity of participating in this debate because I consider it very important.

I cannot say however that I consider the motion of the hon. member for York South very important, for it is but an exercise in propaganda to run down the programs of the Department of Regional Economic Expansion. It deals only with generalities and I see two things in particular that do not look too sincere to me. It seems to me that he does not necessarily wish to discuss regional development but rather national or general economic policy. He makes a point of saying that the department does nothing but offer generous grants to big foreign private companies.

I do not necessarily wish to question the good motives of the hon. member for York South, but I would ask him, whenever he wishes to criticize national policy, to do so from now on during an appropriate debate and to stop criticizing regional development, which is just beginning to prove itself in this country.

All those criticisms and that propaganda come from some members of the opposition—not all of them, for some are clever and practical—who know nothing about underdeveloped areas in this country, nothing about the problems that they have to cope with. In fact, they have never considered them, never defined them and have no idea how to solve them.

I say that what they are driving at with all that criticism is to make political hay for themselves, to try to prove that the government with its regional development program does not really want to help those areas but wants big foreign companies to get the benefits and refuses to take care of the national economy and to protect it from foreign control.

I believe that such arguments might have some value, but I wish they were put forward in a context other than the policies governing regional expansion, for they have no constructive impact and instead could prejudice our regional expansion. And I do not consider it appropriate for an hon. member to try to draw political advantage from such a situation.

Mr. Speaker, it is only normal that the policies of the government should be criticized in a system like ours. But that may spell danger. In fact, the Department of Regional Economic Expansion has been under attack for a year or two. There is a danger, while attacking certain programs, of jeopardizing the well-being of some underdeveloped areas. When commenting on poverty or on Indian affairs, I believe that hon. members should avoid criticism that can be morally or psychologically harmful to individuals or communities. They should avoid creating a climate detrimental to social or economic development in some areas. And even if the right to criticize is the basis of our democratic system, its exercise may sometimes become extremely dangerous.

What I have just outlined I have witnessed in my own area. For some months, the economic conditions have become very precarious in northeastern New Brunswick. Some people, mainly workers or animation groups as well as professionals or businessmen, got together and tried to

dramatize this situation to draw the whole country's attention and use it as their battle horse at the national level.

Unfortunately, in my region as elsewhere, there are always people whose only purpose is politicking on this kind of problems. For instance, on January 16 a certain trade union motivated, of course, by good intentions arranged demonstratious and study meetings in Bathurst. They were well-intentionned but their action had political consequences. After these meetings, the member for York South, as leader of his party, came to visit the area. The Leader of the Opposition (Mr. Stanfield) came also. They did not come because they were actually concerned with the welfare of this region but because this was a political opportunity to be exploited. They used this opportunity to tell the population that the government was not concerned about them or that the regional development policy was a flop.

My point is this: The political exploitation of this kind of question could emoralize the people of a region. This might well have happened in my area in north eastern New Brunswick because the people there are not forwarned against this kind of thing. In fact, some of them like it since they are aiming at dubious objectives, as the member for York South and the Leader of the Opposition are, who come readily to my region to speak of doom and gloom because they have points to prove: Namely that politically speaking the system does not meet the individual's needs. Those people use that tactic and repeat day after day that we are poor, that nothing can be done about it and that the situation is serious.

• (1520)

Mr. Speaker, it is good to see people remind us that this is serious. It is good to see people like the hon. member for York South tell us that this is serious. It is good to see the Leader of the Opposition tell us, your position is serious and the government is doing nothing about it. It is also good to see the hon. member for York South tell the people in my riding, get organized from a political standpoint, as if he were dealing with a bunch of animals, of uncivilized people that have never been organized politically. It is also good to see the opposition remind us that certain policies of the government could be better. Let them critize them. It is also good to see people in our riding remind us that certain deficiencies in the system do not work to the advantage of the population. But this is also dangerous. By spreading this continuously you create a psychological climate which does not promote development because in order to develop an area, as in the case of an individual, some psychological evolution is necessary at different stages. This evolution has to take place. People have to be constructive and be able, first, to define the problems and analyze them and, second, to examine the solutions. This, Mr. Speaker, cannot be done by crying, grumbling, or saying to one another, we are poor, incompetent and good for nothing.

[*English*]

I was interested in the speech made by the hon. member for York South (Mr. Lewis). It showed how inept are the ideas of the New Democratic Party in the field of regional development and, possibly, of economics in general. The hon. member used statistics in a way which amounted to nothing but distortion. He compared weekly wages and output between 1960 and 1961 with those for 1970-71, barely a year after the department had been formed. For him, this was a wise way of trying to prove a point. He tried to argue that because the figures had not improved, the policy was not working.

Next, he compared figures relating to certain areas of the Atlantic region with the figures for Ontario. I think this is unfair. How can he justifiably compare statistics for Ontario with those for the Atlantic provinces when so little time has passed since the formation of the department? He told us he did not want to use the national average because it included elements from the Atlantic provinces. It was certainly not fair for him to try to make a point by comparing us with the fastest growing region of the country. I suggest the hon. member did not use the national figures because he knows very well that the gap has been reduced in the last six years or so.

Mr. Peters: Tell that to the people during the next election.

Mr. Breau: I can talk to the people of Bathurst, but the hon. member cannot because he does not know them. Before he or his hon. friend speaks to them he should learn a few facts about us.

Mr. Peters: Each of us has been there several times.

Mr. Breau: I do not want to talk at length about statistics. When one is talking about the maritime provinces it is not only statistics that count. Statistics are something upon which we can base our actions and they are very relevant to the cities where information concerning the number of jobs available, the amount of investment at any given time and the level of salaries paid is especially useful. But in the Maritimes we have to keep in mind the net social product, the quality of life. People in the Maritimes are not looking for the same salaries as those who live in Oshawa, in Sarnia or even in Calgary. The life in these areas is altogether different, but what we prize is quality of life.

The leader of the New Democratic Party talks about planning as if planning were the answer to everything. I can say, very humbly, that as a New Brunswicker I do not want any planning from Ottawa; I am sick and tired of it. There has been too much planning from Ottawa. The people who do the planning are utterly insensitive to local needs; they do not know what the people in the Maritimes want. In this they are just like the hon. member for York South. How can he say, on the basis of the statistics he used, that DREE is ineffective? He is looking for short-term political advantage in Toronto and other NDP constituencies. His party never elected a member from New Brunswick of Quebec or, indeed, from any of the maritime provinces so far as I can recall. And if they continue as they are doing, they never will. They do not know the area. They haven't a clue about what the people there want. If what the NDP has to offer is more planning, more theory and more philosophy, I hope they stay in Ontario and the west, because we don't want them.

Mr. McBride: We don't want them in Ontario either.

Mr. Breau: There is one aspect of the DREE program that Conservatives like the hon. member for Egmont (Mr.

MacDonald), the hon. member for Saint John-Lancaster (Mr. Bell), the hon. member for Moncton (Mr. Thomas) and the hon. member for South Shore (Mr. Crouse) do not criticize. Here, for the first time, the federal government has said, "We want to equalize opportunity. Here are some funds. Go to the municipalities and decide how you want this money spent; what programs you want.

This program has just started. It may be politically expedient for some hon. members to try to judge the results of the program after only two or three years, but it is unfair to do so. Let me put a few facts on the record concerning members of the New Democratic Party. When we in the committee on regional development were discussing regional development legislation a few years ago you would never guess, Mr. Speaker, what the hon. member for Oshawa-Whitby (Mr. Broadbent) suggested. He has been fired from the committee since then and replaced by a more practical member from the west. The hon. member had the audacity to put to the House at report stage two ridiculous propositions. First of all, he proposed that foreign companies should not, as the minister said, receive grants. In this respect he has some kind of phobia. He thinks it is very bad to have foreign investors come to this country. He forgets we are a country that is capital deficient. I realize he did not really appreciate what he was suggesting, in his desire to fulfil his philosophical ambition, and because of his fear of foreign domination of our economy he gave a stupid and naïve interpretation of the regional development program.

• (1530)

As far as his second suggestion is concerned, I see a conflict between it and the proposals of the hon. member for Waterloo (Mr. Saltsman), a very practical and more pragmatic member who knows more about everyday life since he has had to work for a living. The hon. member for Oshawa-Whitby went on to suggest at the report stage that grants should be given to every service industry. Just imagine that, Mr. Speaker! If his proposal were put into effect, it would mean that every little truck delivering milk, ice-cream or packets of chips would qualify for an industrial incentive grant. The hon. member would assist the transportation companies and all the service industries, such as restaurants and motels.

He has some crazy ideas about economics and state intervention. He thinks that ideology can settle such problems. The hon. member for Oshawa-Whitby should not have suggested either in committee or in the House that grants should be given the service industries, and when he did the hon. member for Waterloo went red in the face; he could not believe his ears. This shows that we just cannot take the theories of the NDP, their economic planning or the philosophy of the hon. member for York South (Mr. Lewis), seriously. I suggest these hon. members visit the slow growth areas, find out a little more about what the people really want and consequently learn a little more about practical economics.

[*Translation*]

Mr. Speaker, I do not want to talk about the overall situation; I would like to talk about my area, and especially the ARDA-FRED Agreement which is now being reviewed by the Department of Regional Economic Expansion and the province of New Brunswick.

I see regional development efforts in three ways. Payments are made to individuals, and because some areas are more prosperous than others, some people will get lower incomes. Therefore, all the welfare programs of governments, be they unemployment insurance, manpower training, or straight welfare, are going to result in an injection of capital for the benefit of the people living in those areas because of their lower incomes. This is going to help the service industries.

Another form of regional development as I see it, is the equalization payment system, where money is given to provinces, but I see regional development as being effected through special agreements like those the Department of Regional Economic Expansion has been entering into until now.

Mr. Speaker, the ARDA-FRED Agreement signed by the department in 1966 followed a provincial injection of capital due, for instance, to reform in New Brunswick. Nowadays, however, there seems to be a conflict in regional development concepts between the province of New Brunswick and the federal government. At present, I fear that revision of the agreement may be delayed because of conflict due to the present political climate in New Brunswick. In fact, we now have there a government elected by the south and southwest of the province, while the ARDA-FRED Agreement concerns the northeast area where that government does not arouse great political interest. I am afraid, above all, that equalization payments may not apply to that area.

I merely want to say that in revising the ARDA-FRED Agreement, the political context in New Brunswick should be taken into account because, at the present time, the equalization payments do no affect that area as they should.

[*English*]

Mr. Speaker: Order, please. I have to interrupt the hon. member; his time has expired.

Mr. John Burton (Regina East): Mr. Speaker, this afternoon when the Minister of Regional Economic Expansion (Mr. Marchand) spoke in this debate there was a lot of fury but very little of substance. When the minister chooses to take criticisms of his department as a personal affront I think it demonstrates his failure to understand some of the basic issues which are involved in the subject we are debating.

I note that the minister does not seem to hear very well, either. He said that all the opposition can do is criticize, that they cannot come up with any suggestions for improving his department's programs. I ask, where was the minister this morning? When my leader, the hon. member for York South (Mr. Lewis), was speaking in this debate he outlined a seven-point program which represented proposals made by this party for improving regional development programs. I saw the minister in the House at the time the hon. member for York South was speaking, but apparently he did not listen to the hon. member. The minister is perfectly free to disagree with any or all of the seven points offered by my leader, but simply to say

that no suggestions have been made is the height of ludicrousness.

The minister also suggested that some of us seemed to be hung up on the point that grants are being made only to large and to foreign-owned companies, that that seemed to be our only concern and we are suggesting this is the only thing his department does. The minister cannot deny that in statement after statement, and in its own publications, his department has made it clear that the industrial incentives program is its number one program. He cannot deny that a significant percentage of grants given under this program is to large companies, for large amounts. That is a matter of record. Neither can he deny that a large percentage of the grants have gone to foreign-owned or foreign-controlled companies. Those are matters of fact, not matters for argument at all.

The minister then dealt with some of the examples given by the hon. member for York South in relation to the old question of transplanting unemployment. He dealt with a number of cases, such as the closing down of the pulp mill at Timiskaming and the grant for the ITT plant in another location in Quebec. He then suggested that we were saying that the Timiskaming plant was closed as a result of the grant which had been given to the other company. However the minister might wish to interpret the words of the hon. member for York South and others, he cannot escape the fact that a conflict is involved in the closing of one plant at one location and simply giving a grant to a company to open another plant at another location.

The minister also missed a very fundamental point made in one of the seven points put forward by the hon. member for York South, namely, that in dealing with the issues we must look at more than just the profit and loss position of a company. We must look at the question of community interest, a fundamental question of great importance.

The minister also suggested that one of the reasons the Timiskaming plant was closed was higher transportation cost. Why does the minister take note of that point? The fact is that if he and the government had taken steps to equalize transportation rates across Canada, they could do more to eliminate regional disparity than all the departmental programs initiated to date could do.

The minister then went on to deal with Duplate and Michelin and said that under the old legislation he had no discretion in their case. I acknowledge the minister's point in that regard, but at the same time he showed willingness and readiness to accept the phony arguments put forward by those companies for closing down their operations at other locations. Then later on he pointed out that Union Carbide had said they were going to leave the country.

It seems to me that no example could underline better the seriousness of the crisis facing Canada on this issue of foreign ownership. Where is the government's policy on foreign ownership? I can argue about some of the things said by the minister in relation to the program, but if he wants to eliminate some of the problems that he feels exist, why does his government not come forward with its policy on foreign ownership? Why does he not come forward with a meaningful policy which would result in a change of direction for Canada?

• (1540)

We could argue about some of the various firms and the particulars concerning them, but I think none of us has adequate information on the subject at this point. I think it is incumbent upon the government to table all the documents concerning these specific examples. I challenge the government to table the documents in respect of the grants made to these companies and the whole situation concerning the shutdown of these plants. These documents should be referred to the Standing Committee on Regional Development. In this way we could perhaps answer some of the questions which many people are asking.

I also notice that the minister made no reference to the Industrial Incentives Advisory Board. He might recall that when the hon. member for York South spoke he referred to the problem involving the Industrial Incentives Advisory Board and the potential conflict of interest there. Why does the minister not take steps to correct this situation? When we make a suggestion that the minister should hew away such a conflict of interest we are attempting to help his programs, but he does not accept our help; he apparently thinks he knows it all. The fact is that at the present time there is a potential conflict of interest in respect of this board. I want to make clear that I am not necessarily casting any aspersion on the individuals involved; however, there is a potential conflict of interest which unless resolved and corrected is a situation with which no person can satisfactorily deal. We have Mr. J. B. Estey, executive vice-president of National Sea Products—

Mr. Speaker: Order, please. Is the hon. member rising on a point of order?

Mr. Weatherhead: Yes, Mr. Speaker. I wonder whether the hon. member would accept a question.

Mr. Speaker: That is hardly a point of order. I should bring to the attention of hon. members that we could very well run into difficulty in respect of allocation of time. Perhaps we should have decided to have 15-minute instead of 20-minute speeches. There is a long list of speakers from different parts of the House. Hon. members might give thought to reducing the number of points of order and reducing the length of speeches so that more of their colleagues might have an opportunity to participate in the debate. The hon. member may, of course, accept the question, but that would be on his own time.

Mr. Burton: Mr. Speaker, I wish to conclude my remarks. I shall be happy to answer a question at the end of my speech if there is time left, which I cannot guarantee at this moment.

We have these various officials. I mentioned one, Mr. J. B. Estey, executive vice-president of National Sea Products. This company received three grants totalling over $2.2 million for expansion of fish processing plants in St. John's Newfoundland, Halifax and Louisbourg, N.S. Then there is Mr. E. Kendall Cork, vice-president and treasurer of Noranda Mines. Noranda Mines received a grant of $3½ million. Then there was a grant of $1,155,500 to Gaspé Copper Mines, a fully-owned subsidiary of Noranda

Mines. These are the things I think we must look into if there is to be any hope of success for the regional development programs.

I challenge the minister to deal with this situation and to do something about it. He said earlier that they had difficulty in finding people to act on the board. This is surely nonsense. It is certainly possible for the minister to find qualified people in business, in university circles and among other people in the community to act on this advisory board, who would not be involved in any potential conflict of interest. I think we must all ask where is there adequate information on some of the special programs this department is handling. We have very elaborate studies in respect of the proposed Gaspé plan, the northeastern New Brunswick plan, the Interlake plan and a number of other plans. However, there is only very brief mention of the other plans in the annual report of the department. Why can we not have some sort of report on these programs which involve expenditures of millions and millions of dollars?

I was surprised at the remarks of the hon. member of Gloucester (Mr. Breau). He came to the defence of the government and seemed to believe it is doing all right. I am sure the people of Bathurst would be very interested to hear this. I am surprised that any hon. member, even a government member, would not be calling on the government to improve these programs and pull up its socks. Certainly there is need for improvement in Bathurst, on the information available to us. If he is interested in the people who work in the plants in that part of the country receiving low wages, I am sure they would be very interested in hearing such a statement from the hon. member.

In 1968 we heard much about the just society, about doing something in respect of regional disparity and the problem of poverty. I think we must ask what progress is being made other than the fact that we are spending a good deal of money. The minister on more than one occasion made reference to specific projects. I think the minister can validly and understandably point to certain programs as having been useful and as having done some good. I have no argument with this, but when this is the type of defence he comes forward with, I think he misses the basic point about what has happened in the country.

Has there been any change in the picture in respect of regional disparity? I say there has been no improvement in this situation. I was very interested to note this afternoon that the minister chose to trot out some statistics which he used before the committee last spring. At that time he tried to show that we are making progress and that things are better. Today he did not attempt to do this. The fact is that some of the indicators he used at that time have taken a change of direction so that they could not be used for his purposes today.

I suggest there is an absence of effective planning in the department. The department has been used for crash programs and this has destroyed its basic purpose. The Newstart program was a very interesting social experiment. We expect a certain amount of difficulty in such a program, and I do not complain about that. In that sort of experiment you will not have a 100 per cent batting average. Although I do not complain about that, there was a body of knowledge, skills and expertise gathered together

in the program which has been disbanded and we have not heard anything about what the government has in mind as a followthrough to that program.

Similarly we have the situation in respect of the multiplex program. Do we see any new results or any real initiative from the government in dealing with the problem in New Brunswick where this program was set up? We have an ad hoc approach. Then there is the question of the government's reliance on its industrial incentive grants. I suggest this reliance is based on the faulty premise that private enterprise can do the job of correcting regional disparities if given a little help. I suggest this is false because I believe private enterprise is responsible for some of the growth in some of the disparities we are trying to correct in Canada at the present time, which are admittedly difficult problems. There is a certain trend we should examine in respect of these grants; I think we should take note of them.

• (1550)

The fact is that there has been a steady growth in industrial incentive grants. I suggest that it will become a scandal in the future unless there is some change in the priorities and the emphasis of the government. Let us look at the picture. In the first quarter of 1970 there were 70 grants approved; in the second quarter, 77; in the third quarter, 78; and in the fourth quarter, 90. In the first quarter of 1971, there were 124; in the second quarter, 147; in the third quarter, 232; in the fourth quarter, 253. This shows a steadily rising trend. I suggest that if this trend continues, within three years the private enterprise of this country will take a rip off of $1 billion annually from the federal government.

The fact is that there are many other problems that could be pointed out with respect to industrial incentive grants—the unplanned growth, the very irrational designation of regions across Canada and the emphasis on pulp mills in some cases. In the case of the Saskatchewan pulp mill, it can be pointed out that the minister and the deputy minister said last spring before the committee that this pulp mill and the government would make sure that pollution control standards were met. Recently, the official of the Department of the Environment who is concerned with pollution control standards for pulp mills stated that the Athabasca pulp mill never had a chance; it simply could not hope to meet the pollution control standards that were being set up by his department.

That was surely known to the government last spring when they were engaging in the type of charade in which we were involved. A great many grants have been given to foreign-controlled firms and I think it is important that I deal with the question of the relationship between regional development and foreign ownership. I do this because of the Prime Minister's statements over the past several months in which he tried to indicate that one reason the government was being careful and was holding off on the foreign ownership policy was that it would hurt regional development programs.

I think we now have convincing evidence through the CALURA reports, the studies of the Department of Energy, Mines and Resources and the Gray report which came into public hands that in fact there is a higher

percentage of foreign ownership in parts of the country such as Ontario which have enjoyed greater growth. This is no credit to the foreign-controlled firms but is due to the fact that they have concentrated their activities in that part of the country to the virtual exclusion of other parts of Canada. I suggest that much greater emphasis needs to be placed on infrastructure programs. The government will say that a good deal of money has been spent in this area. I suggest that money was spent quickly in the initial stages of the program but a good deal of it was on projects which were unplanned.

I suggest that with proper planning, infrastructure programs can influence the economics of an industry or of a region and the social conditions in those parts of the country. In particular I would like to make a case for the province of Saskatchewan, where recently we have experienced a disastrous turn in the economy. At various times in the past the Saskatchewan economy has been buoyant. The province has been leading in terms of economic activity. But this is not the case at present. In 1970 Saskatchewan stood seventh among the provinces in personal income per capita. It was well below the national average, approximately 20 per cent below the national average. There has been a population exodus from Saskatchewan.

At the same time, the government says that certain areas of Saskatchewan do qualify for assistance but we have seen very little assistance in that province. I also suggest that there is conflict between the minister's programs and the programs of departments such as the Department of Public Works and the Department of Transport which have laid a great deal of emphasis on programs in the provinces of Ontario and Quebec to the virtual exclusion of programs in the Atlantic provinces and the four western provinces. I should like the minister to reconcile that program with the programs he is trying to carry on at present.

Mr. Speaker: Order, please. I regret to interrupt the hon. member but the suggestion has been made to the Chair that between now and the hour or so that is left, instead of having three 20-minute speeches, in order to give more opportunity to members we should have four 15-minute speeches, which would leave four or five minutes at the end of today's sitting for the independent member for Joliette (Mr. La Salle). I have in mind hearing the hon. member for Labelle (Mr. Dupras), the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall), the President of the Privy Council (Mr. MacEachen), the hon. member for Skeena (Mr. Howard) and closing the debate by hearing the hon. member for Joliette. Of course, this is entirely in the hands of the House.

Mr. Knowles (Winnipeg North Centre): Could we not make this an order?

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

Mr. Maurice Dupras (Labelle): Thank you, Mr. Speaker. Ever since I first read the motion of the hon. member for York South (Mr. Lewis) I have had an urge to take part in this debate, for many obvious reasons. Reading all of the 13 lines of the motion made me wonder how this could be tolerated in Canada where we ban hate literature. The leader of the NDP is not unlike the people with whom he keeps company, especially the company he kept at the Montreal Forum last Monday. I should like to mention a few names, such as those of his comrades Pepin, Laberge, and the clown of the court Chartrand who during this beautiful meeting did no less than incite the teachers and public servants of the province of Quebec to undermine the government and take as hostage the schoolchildren of the province of Quebec.

Some hon. Members: Shame!

Mr. Howard (Skeena): Bourassa is undermining it well enough.

Mr. Dupras: In the few moments that I have at my disposal I would like to speak of the results of the program of regional economic expansion in the last five years. We have mentioned that it has created 50,000 jobs. Of course, to these 50,000 jobs we should add their generating value, which means another 150,000. I wonder if the people who fill these jobs are in agreement with the hon. member for York South regarding the value of the program. I wonder whether they share his view that this has been a disastrous experience.

Mr. Skoberg: You might be on the receiving end but on the losing end tomorrow.

• (1600)

[*Translation*]

Mr. Dupras: Mr. Speaker, I would also like to mention the 35 new industries that this program has brought to Labelle riding which I have the honour to represent. Let us ask the 1,500 workers or more employed in those factories if they agree with the hon. member for York South (Mr. Lewis) when he states that this has been a disastrous experience and that the government spends money needlessly.

A look at the figures concerning the increase in the Gross National Product is enough to show the effect of the program on the Canadian economy. In 1970, for example, there was a real increase—taking into account the devaluation of the dollar—of 5.4 per cent, that is the greatest annual gain in volume since 1966. Those are the results that were not mentioned, Mr. Speaker.

With regard to the province of Quebec, I would like to quote some figures which do not accord with the opinions expressed by the leader of the New Democratic Party when he states that the regional economic expansion program has been a useless experiment. In fact the percentage of the earned income per capita of the work force in the province of Quebec, which, from 1949 to 1951, was 83.5 per cent of the whole of Canada, increased by 6.4 per cent to reach 89.9 per cent in the years 1968, 1969 and 1970.

These few figures illustrate very well, I think, the value of the program as well as what the program has contributed to the underdeveloped areas in the province of Quebec.

For instance, in other areas of the country, in the years 1950, for instance, the per capita income in the Atlantic area increased from 68 to 72 per cent of the national average, that is an increase of 4 per cent in about ten

years, while in Quebec, this income increased from 85 to 91 per cent.

Someone mentioned here today, Mr. Speaker, the importance of this program for the Atlantic Provinces. It was established in the 50's that no less than 10,000 individuals left the Maritime provinces each year. This trend increased as in the early 60's the number of people leaving the Maritimes each year reached 20,000. This exodus has been considerably slowed down since the implementation of the plan for assistance to underdeveloped regions in Canada.

The government plan for elimination of economic disparities is a result of the will to govern, to eliminate regional disparities and thus achieve national unity.

Of course, this problem of regional disparities is not exclusively a Canadian problem. It exists, as the hon. member for York-South stated, in many industrialized countries. Even our Southern neighbours are having trouble with some of their regions. Yet, we should still not underestimate the endeavours and say in advance that they are total failures just because the anticipated results were not achieved overnight.

The Minister of Regional Economic Expansion (Mr. Marchand) mentioned also the advantage that the designation of special areas represents for some parts of the country. We can see those results in certain parts of the Maritimes and in the part of the province where I live, particularly in the neighbourhood of the proposed airport of Sainte-Scholastique. No doubt the same will happen around the future Toronto airport, at Pickering, where an important infrastructure development will be needed in a relatively short period of time, something which the municipalities concerned did not take into account in their budget.

There is, for instance, Saint-Jèrôme, in my constituency, where they had to treble the capacity of a treatment plant in order to supply the Sainte-Scholastique airport with drinking-water. This expansion represents an investment of $1.5 million dollars, Mr. Speaker, and were it not for the federal government's assistance through the special area program, the town would have been unable to achieve such an important project for the administration of the town of Saint-Jérome and of the airport.

The same thing applies to the building of highways that have been made necessary by the establishment of the new airport. I refer to the building of a utility network to supply drinking water to the airport and to the communities that will develop around it.

The same situation occurred in the Trois-Rivières area, where following the establishment of a national park the government agreed to pay for part of the cost of the access road to that park. Of course, if the federal government is to agree to spend large amounts of money for the development of a tourist attraction for Canadians, it is certainly responsible for the increase in cost to the provincial department of highways which must ensure access to those sites built by the Canadian government.

The effects of the special zones program were felt by making those improvements possible, without however burdening the budgets of the surrounding municipalities and of the province involved.

[Mr. Dupras.]

In the municipality of Saint-Jérôme, which interests me particularly, we have experienced difficulties in 1966-67 in connection with the retraining of workers of a main plant in the city, namely Uniroyal Limited. That plant, which had established a reputation in the manufacturing of canvas shoes for many years, has been compelled for economic reasons to discontinue that production and to switch to a completely different field of operations. Since 1967, that retraining has resulted in a decrease in personnel of the order of 1,500 to 450 persons; the industry has always prospered from 1950 to 1960. But the establishment of a great number of new small industries at Saint-Jérôme has resulted in increasing those job opportunities eliminated by Uniroyal Limited. Those industries have allowed the workers of Saint-Jérôme to retrain without suffering economic hardships which could have proved fatal to the municipality of Saint-Jérôme which, after all, does not have many important industries.

There is a proof that the program of the Department of Regional Economic Expansion managed to save from stagnation many Canadian municipalities.

I felt that, as a member from the province of Quebec, which admittedly benefits most from that program and where unemployment is highest, it was my duty to explain the situation and give details on the benefits the act has brought to certain areas of my county.

[*English*]

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I welcome the motion introduced today by the hon. member for York South (Mr. Lewis) indicating the failure of the government to make any progress in eliminating regional disparities. I do not get too much opportunity to speak in this House, Mr. Speaker, probably because I do not force myself forward, but when I entered the chamber about an hour and a half ago and saw the Minister of Regional Economic Expansion (Mr. Marchand) speaking, I thought that you, Sir, had possibly changed the order of business and that we were discussing the Explosives Act.

I can verify the transplanting of unemployment by assisting plants in one location while similar plants are being closed in other locations. I can do this by referring to the main industry in my district, in the city of Corner Brook, the Bowater pulp and paper mill which is the main base of the economy of the city, and where 350 employees were laid off because of weakness in world paper markets. Yet at the same time announcement after announcement was being made by the Department of Regional Economic Expansion about massive regional development incentive grants going to other parts of the country to start up new paper mills. This was an example of unemployment hitting not only the 350 people employed in the mill but also affecting another 700 or 800 woods workers scattered across the province of Newfoundland, with the result that the economy of a good portion of the province was crippled, not to mention the indirect effect on industry and business dependent upon the pulp and paper mill.

But in spite of all my pleas in the House of Commons to the ministers responsible, particularly the Minister of Industry, Trade and Commerce (Mr. Pepin), the matter was treated with complacency and almost disregard. This

has resulted in the displacement of good, honest, experienced papermakers because they have had suddenly to change their way of life and uproot their families or resort to temporary unemployment insurance benefits.

Since last September the Minister of Industry, Trade and Commerce and I have been at odds about the situation in the pulp and paper industry. Instead of action we have seen further close-downs of mills across the country. In spite of what the Minister of Regional Economic Expansion issues in his releases dealing with job creation, there is no evidence that this is helping in my district. Let me quote some figures from the manpower review listing clients registered at the Canada Manpower centres in the Atlantic region. The Atlantic region has 29 Manpower offices. At the Corner Brook office alone, serving a city of some 28,000 people, there were 5,500 clients registered. This figure is more startling because there are another 2,700 registered at the Stephenville office just 50 miles away, a community of some 8,000 or 10,000.

• (1610)

Compare this with the city of Halifax, where some 7,700 are registered. Corner Brook itself then falls second highest in the whole of the Atlantic region in the number of those registered. I mention these figures to try to point out the lack of planning or the realization of the seriousness of a one-industry town and the serious effect that a close-down in its main industry can have on its economy and the social problems that arise. Yet after almost eight months the ministers are still having discussions with the pulp and paper industry. Yesterday I asked the Minister of Industry, Trade and Commerce what he was doing about these discussions, but just then he was going to a meeting so I did not receive an answer.

What about the close-downs of other mills in Quebec and New Brunswick, Mr. Speaker, and all across the country? The only action we hear about is that large development incentive grants are going to start other pulp and paper mills to create employment opportunities in other parts of Canada. It is a good description in this motion when it refers to the senseless practice of transplanting unemployment by assisting plants in one location while similar plants are being closed in another.

The government are not only transplanting jobs in Canada, to no avail, but what else are they doing? In spite of the loss of world markets, which is a great part of the problem because new mills are springing up all over the world, this government is giving guaranteed loans to undeveloped countries in order to help them build paper mills and manufacture other products. This further weakens our marketing position and emphasizes the lack of co-ordination between various departments of the government. It is the old cliché that one hand does not know what the other is doing. Here we are faced with the deterioration of probably the largest industry in Canada, yet the government failed to prevent the crisis and only agreed to meet with the association when it was too late.

This government is famous for starting new agencies and pouring millions of dollars into wasteful endeavours. There is no better example than Information Canada. Here we see triplication of effort, not just duplication. All they do is answer phone calls with questions and get the information from the information service of a particular department to pass on to the caller. Some of the work is the responsibility of Members of Parliament who are more capable of doing it. One day I received a call from Information Canada asking a question on veterans affairs. Apparently the person who called did not know that all they had to do was call the information service of the Department of Veterans Affairs to get the answer.

Another part of the motion before us today condemns the government for its failure to make progress in eliminating regional disparities. One of the failures in this regard is lack of co-ordination with associated departments and failure to look with seriousness at the need for the development of the natural resources of the particular region. The province of Newfoundland, Mr. Speaker, has four main basic resources—fish, timber, agriculture and beauty—besides what we hope are good mineral deposits. This is where the emphasis should be placed.

True, there has been some concentration in this area in Newfoundland. One example is a linerboard mill which we hope will be successful with the assured markets. Whether the plan to transport the raw materials from Labrador will be a success depends on the provision of harbour facilities at Port Harmon in Stephenville, but little or no effort is being directed to providing the infrastructure funds necessary to support the industry. I hope there will be more liaison with the Minister of Public Works (Mr. Dubé) toward reaching this objective and I should like to receive some answers on this problem as soon as possible. What evidence is there of liaison with the Department of Manpower and Immigration in order to establish a program to train local people for the jobs that will be available in this mill, and to ensure that there will not be more transplanting of personnel from other parts of the country?

Another example of the weakness in liaison is the development of an industry to produce electronic tubes in this community. When the grant was announced by the minister I asked for assurance that there would be a program to train people in this industry, but apart from sending half a dozen people to the parent plant of this firm and the promise of 80 jobs by last September there is still no evidence of success. After a grant to the firm of almost $400,000, this indicates lack of concern for monitoring progress in order to ensure that these firms fulfil their obligation. I hope and pray that these industries will be a success. Instead of the reams of paper coming across our desks announcing the grants, it would be interesting to get an up to date report on the progress being made by some of the firms who received large grants.

Another weakness in the programs of the department, Mr. Speaker, is the lack of co-ordination between departments of government. The need for supporting programs when people are moved to growth centres where industry is created has not been realized. In my province they are intent on resettling citizens to growth centres but without any consideration for what happens to these people after they move. This has caused great grief and difficulty for municipal governments and other responsible authorities who have to provide the necessary housing, educational facilities and public services to the people being resettled. It is only compounding the problem rather than solving it.

We hear figures of hundreds of millions of dollars bandied about and directed toward housing, but hundreds and thousands of families are still without decent accommodation in all parts of Canada. With all the experts flying around the various provinces on missions to coordinate and advise on these matters, and the formation of liaison committees, surely we should see some results by this time. Indeed, there have to be some results, Mr. Speaker. If you keep pouring enough money into something you are going to get some results, even by accident. But is it not time we started to take some advice from the people affected by the programs? Is it not long past time we proved our pledge to allow Canadians to participate with government in their own development?

The Local Initiatives Program proved in a great number of cases that people in all parts of Canada have the initiative to help themselves because they have experienced their needs every day for the past hundred years. With all our programs, are we getting the results we are looking for? When are we going to take the lead in providing initiative grants to Canadians without first looking at their bank account? If the government can provide funds for local initiatives programs to provide band-aid relief to unemployment, why can we not find a way to provide the small businessman or the prospective small businessman with some starting capital in order to apply his knowledge and initiative for the good of his region and the country?

We have many loan programs, Mr. Speaker. We have the fisheries improvement loans, the farm improvement loans, the small business loans and the Industrial Development Bank. But what have been the results in my province? In the latest report on small business loans, the figures for the quarter of October to December, 1971, show two loans to Newfoundland in the amount of $50,000. The report of the fisheries improvement loans for the same quarter, shows one loan to Newfoundland in the amount of $11,700. We did pretty well in this quarter under the farm improvement loans. Somebody must have made a mistake, because our usual quota is one per quarter but we got three loans under this program to three lucky farmers for the grand amount of $15,500! They would have been better off if they had submitted a project under the Local Initiatives Program.

Just try and get a loan in Newfoundland under these programs, Mr. Speaker. What happens when you go to the bank? If someone happens to have the security, a fisherman for example, he is steered away from the government guaranteed loan of 6¾ per cent and given a conventional loan of almost 12 per cent. I have letters to prove that. If he does not have the security, he has not a hope in hades of getting any consideration. The government always tells a tale of woe when you complain and says that the loans are considered in the conventional manner by the particular bank on the merit of the individual. Then why do we have these programs? If you go to the Industrial Development Bank in order to get a loan, you have to sign over your assets, even your wife and children. My colleagues from Newfoundland have raised this question time and time again, but to no avail. The Minister of Finance (Mr. Turner) shrugs his shoulders or writes to the member that there is nothing he can do about it.

I submit that these programs should be investigated. The $75,000 a year president of the Bank of Canada should be directed to remind the chartered banks that it is their duty not only to make vast amounts in interest but also that they have a responsibility to Canadians and to the development of Canada. I understand that in agreement with the province of Newfoundland an industrial development corporation is being established with a fund of $600,000. This corporation will provide more assistance to Newfoundlanders and advise them in starting small industry. I certainly hope that there will be some common sense direction. I am sure there will, because the Premier and his Progressive Conservative government will ensure this when he wins a clear majority on March 24.

Mr. Speaker: Order, please. I regret to interrupt the hon. member, but his time has expired.

• (1620)

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I would like to deal with a few matters in connection with the very great subject of regional economic expansion because the Atlantic provinces, the area I represent in the House of Commons and the people of the area have an important stake in the efforts of the government to increase incomes and employment in the disadvantaged parts of Canada. If time permits, I would like to make some comments about three aspects of the program: first, the industrial incentives; second, the program of infrastructure and, finally, a part of the program of the department that has not been mentioned so far, namely, the work of the Cape Breton Development Corporation.

Before entering these particular aspects of the work of the department I would like to refer to the suggestion that has been made that in some way there may be a conflict of interest in the operation of the Industrial Incentives Advisory Board. The Industrial Incentives Advisory Board is chaired by the deputy minister and is composed of civil servants as well as outside representatives of business and trade unions. There is no possibility of any conflict of interest arising in the operation of the board, because it is purely advisory in capacity; it makes no decisions. When matters affect any individual on the board or organization, the interest is made known and that is taken into account in the subsequent discussion and decision. I hope hon. members will relieve their minds by the knowledge that there is no possibility of conflict of interest. We ought to be careful in making such allegations so that we will not lose the services of persons who are making a real contribution to the industrial expansion of the disadvantaged areas in Canada.

With respect to the operation of the industrial grants program, it has been suggested in the debate that this is the major emphasis in the department. That, of course, is not the case. The total budget of the department is spent in a balanced assessment of the needs of industrial development, industrial grants, infrastructure, rural development and social adjustment. In fact, the total budget is split three ways among these three areas of departmental activities.

A good deal has been said about industrial grants. They have been knocked by the New Democratic Party as an

evil of some kind. They have been linked to foreign corporations and giveaways. Certainly in my part of Canada the program of industrial grants is regarded as an essential part of a program of industrial development. Any effort to decrease or remove these grants would be greatly resisted by the business community and the population generally of Nova Scotia and the Atlantic provinces. In the real world where I live in Nova Scotia I can point briefly to a number of major plants that are contributing to the development of the province and enhancing employment opportunities, which have been assisted in locating in that province through the program of industrial development grants.

The hon. member for South Shore (Mr. Crouse) is in his seat today. He knows that the foreign corporation Michelin was assisted to locate in Nova Scotia in part through the provision of industrial grants. It is a foreign corporation. No one in Nova Scotia would suggest that grants should be denied to this corporation locating in Bridgewater and Granton. It will ultimately provide employment for 1,800 people. An industrial grant has been given in my constituency, in the Strait of Canso, to Nova Scotia Forest Products Limited which is a European-owned and controlled company. Through a recent expansion it will provide increased employment in the plant of 250 people and in the forest and related industries of 1,000 people. Gulf Oil, which is located in the Strait of Canso, has established a refinery. It has been assisted by a handsome industrial grant of millions of dollars under this program. Through the co-operation of Devco it has established a large industrial development there.

Mr. Skoberg: At the expense of Moose Jaw.

Mr. MacEachen: the modernization of the Sydney steel plant, a cornerstone in the province of Nova Scotia, is vital. The industrial life of Cape Breton would be inconceivable without the continued operation of that plant. The modernization now planned will cost $95 million, and $15 million will come from the Department of Regional Economic Expansion in the form of an industrial incentive grant. That is what is being knocked by the motion before the House.

I can indicate from these major examples that these grants are important to the province of Nova Scotia and its future development. We do not take kindly suggestions that they are somehow a fraud on the body politic and that because capital is coming from non-Canadian sources grants should be withheld. Under this program grants have been made in Nova Scotia in the amount of almost $27 million. This involves a total investment of approximately $130 million. I want to put on record that in the allocation of industrial grants, Nova Scotia has the highest per capita figure of any province in Canada, including Quebec. I hope that will set to rest the allegation that is too often made, that the minister is somehow favouring his native province in the allocation of industrial grants and other parts of the program. If figures mean anything, and they mean a great deal, the fact is that my province has been treated better than any other province in Canada, certainly better than the province of Quebec. We want the program to continue.

In the field of infrastructure, a very important part of the department's work, we are giving support to special areas or growth centers in the province of Nova Scotia, one in Halifax-Dartmouth and the other in the Strait of Canso area. Under this program about $74 million has come in two years to the province of Nova Scotia to provide the necessary infrastructure related to industrial development. The key strategic concept in the industrial development of the Atlantic provinces is to build up certain growth areas which have the greatest opportunity for development and to ensure this development by provision of infrastructure including water, sewers, schools, highways, and so on. Up to the present time in Nova Scotia we have given $74 million for this purpose.

• (1630)

In Halifax-Dartmouth seven schools have already been built under this program. Water supplies have been guaranteed to the city of Halifax. The construction is in progress of transportation facilities leading into and out of Halifax to relieve traffic congestion. All are necessary to build Halifax as a major industrial centre providing the amenities of modern life and serving as a centre of employment for people from the hinterland of the province. This is a good, sound proposition. Nobody involved in the administration, the town planners or the mayors, is knocking this program. The theorists are knocking it, but the people at ground level who are building sewers and schools are saying, "more, please." The people outside the boundaries of the special areas are asking, "Why can't we get in?"

In my own constituency of Cape Breton Highlands-Canso there is a special area at the Strait of Canso. Infrastructure money is available to build the necessary industrial parks, to provide water and sewers in a community such as Mulgrave, to build roads from the main highways into the parks to make the area an attractive one for future industrial development. The schools in this area are overcrowded. The municipality cannot provide the schools needed. The province is strapped. So the federal government will be asked through DREE to make available the necessary additional school facilities so as to make possible the human services which must accompany industrial development. At the moment there is under way a special feasibility study which envisages a big new school in that area.

I regret that so little stress has been placed in this debate upon what is being accomplished, upon what is going ahead and supported, certainly in my part of the country, as an essential part of economic development, though undoubtedly there are criticisms to be made and improvements to be introduced. Let me refer again, particularly, to the infrastructure development which is related to the whole of the Halifax-Dartmouth area and through to Canso. The rest of Nova Scotia is wondering why it is not eligible for this special grant. It is not always easy to understand that what is being done is part of an over-all concept of regional economic development.

We want to see these two areas developing because of their greater potential and because, hopefully, there will spring up large centres of population which will allow young people from other parts of Nova Scotia to find jobs in the province rather than going off to Toronto or to the

west to find employment. We prefer to see more of our young people stay and contribute in their own province of Nova Scotia.

The hon. member for Cape Breton-The Sydneys (Mr. Muir) is in his place and is aware of the program we are operating particularly in Cape Breton through the Cape Breton Development Corporation. Hon. members opposite can knock regional development if they want to, but there is no one who would knock the concept of the Cape Breton Development Corporation and what it is attempting to do to stabilize the economy of Cape Breton Island. Were it not for Devco, as it is called, financed from funds of the department—and financed handsomely this year—the future outlook for industry in the hon. member's constituency would be bleak indeed. However, with the funds made available through the corporate structure the future is not entirely without hope.

Mr. Deputy Speaker: I regret to interrupt the hon. minister, but I must advise him that his time has expired.

Mr. Frank Howard (Skeena): Mr. Speaker, I listened with interest to the minister telling us how beautiful things were in Nova Scotia, how everything was functioning in a well organized way and how all this was possible because of the financing available through the department whose affairs have been the subject of so much comment during this debate.

It is interesting to note that the province from which I come, British Columbia, also received some grants under the DREE incentives program. I believe that of the total amount of money allocated under that program over the last two years, one half of one per cent was available to industry in one part, and one part only, of the province of British Columbia. We are glad to know that we are able to contribute something, probably, to the re-election of the minister in a riding which embraces one of the special areas to which everyone is so generous. That is, if he does not get to the Senate before then.

Mr. MacEachen: No chance.

Mr. Howard (Skeena): Because of the limitation on the time available to us I shall refrain from making extended comments about what the Minister of Regional Economic Expansion (Mr. Marchand) had to say. I will only mention that after watching his performance this afternoon, the arm-waving, the histrionics, the sound and the fury of his presentation, I am convinced he is a great believer in the concept that when you have a poor case you should cover it up with a lot of noise. This is precisely what the minister did.

It has been argued that DREE has no strategy, no concept. I think it has. The basic concept is that of providing a great big barrelful of money. All anyone in industry has to do in order to get his hands into the barrel and get some of it is make an application. Just help yourselves! Government, supposedly there for the purpose of serving the interests of Canada, has set this up as an agency to respond to the requests of industry. Surely it should be the other way around. Surely industry should be required to respond to the requirements of government, because government is supposed to represent people.

[Mr. MacEachen.]

I think this was well illustrated by the Minister of Regional Economic Expansion himself when he talked about Union Carbide moving out of the country, out of Welland, if the department did not step in and do something. Mr. Speaker, who is running this country, Union Carbide or the government of Canada? Who was elected to run the show, the Prime Minister (Mr. Trudeau) and his cohorts in the cabinet or Union Carbide? I have the impression that Union Carbide is calling the shots and that the government is knuckling under and responding. This is what is wrong with the whole attitude of the government as reflected particularly in the actions of the Department of Regional Economic Expansion.

• (1640)

Some years ago we believed in the concept that the purpose of government was to serve the people; that we would combine together to elect a government to do things for us collectively that we were not able to do individually. That is the way it was supposed to work. The political party heading the government of Canada today has for a number of years told us that that concept is wrong. What this government says is that the purpose of government is to create an atmosphere within which the capitalist system feels comfortable and then the benefits will come in a second-hand way back to the people.

Is the purpose of business to create employment? Certainly not. Business has no interest in creating employment, in providing jobs. The objective of business is a very simple one. As any businessman knows, it is to make a profit, to exploit resources, to exploit an area, to exploit the people in that area and the workers working within that particular industry. And all for the purpose of making a profit. The government has told us that that is a valuable thing today.

That is the strategy of the Department of Regional Economic Expansion, simply to let itself bend to the whim and will of industry itself, to respond to requests when applications are made for some of the $900 million that has been available over the past three years with a firm "Yes". It is a strategy that is not economically sound as much as it is politically advantageous. In operating this way, even though he says otherwise, the minister is looking at the political advantages to a large extent. These are not my words but the words of a member who used to be in the cabinet and left, who divorced himself from the cabinet. He sat in the same councils as the Minister of Regional Economic Expansion but could not stomach the short-range, sellout approach of this government.

I have an article from which I should like to quote briefly. It appeared in *MacLeans* magazine for July of last year and is headed "Baby, it was cold inside". It is the story of how Eric Kierans was frozen out by the Prime Minister.

Mr. McBride: Who is the author?

Mr. Howard (Skeena): Walter Stewart.

Mr. McBride: Ha!

Mr. Howard (Skeena): My hon. friend may laugh, but let me tell him he will laugh on the other side of his face

when he realizes that the minister offered $200,000 to drive an industry out of his own constituency. And what did he do about that?

Mr. McBride: That is not true. Even your own leader accepted that was not true. He tried to get away with the untruth but when I pointed it out to him he admitted I was right.

Mr. Howard (Skeena): Mr. Speaker, would you protect me from this self-appointed purist over there? I should like to refer to this article. I assume certain passages are put in quotation marks because the author knew he was quoting the hon. member for Duvernay (Mr. Kierans). This is what the article says in part:

—the decision-making process, as Kierans saw it, was not a controlled, efficient progression, but "ad hoc, scrambling and almost always tuned to 'How will this look in June, 1972?' "

That is the date that people looked to, even some years ago, as the date of the next election. I continue:

"We would get pushed into a project because it would provide some jobs in time for '72 and that would make one riding safe, whether the project made sense or not, whether it was for the long-run benefit of the country or not; it all came down to one thing, creating lots of activity for '72." Aid to American companies to build pulp mills in northern Manitoba and northern Saskatchewan while Canadian companies in Quebec were laying off workers could only be explained, Kierans felt, by the hope of buying votes with jobs.

Those are not my words. I did not sit in on cabinet meetings. I do not know what the internal discussions were but I am sure that the hon. member for Duvernay did. He was there and took part. He saw what was happening, but unlike the Minister of Regional Economic Expansion he at least had the guts to stand up and be counted and leave, because he knew that that situation was wrong. I wish the Minister of Regional Economic Expansion had as much courage. Certainly he should know better, unless his intention is to stay there and play politics right to the limit.

I should like to refer to what the minister said in the House a few days ago. He was asked about this dual role of his—on the one hand having hundreds of millions of taxpayers' dollars to give away to industry and on the other being the key campaign figure for the Liberal party, the chief fund raiser, in the province of Quebec. He was asked about this conflict of interest and I should like to quote from *Hansard* what the minister said when he replied in this House. As reported at page 458, he said:

Mr. Speaker, I state solemnly in this House, that I have never collected a cent for the Liberal party; as leader for Quebec, and responsible for Quebec,—

I take the minister's word for that. If he says that he did not collect a cent for the Liberal party, fine. He went on:

—I merely sent a letter of invitation to a fund-raising cocktail.

He continued:

All I did was send a letter and no one—this I state solemnly—knows the names of the companies that ask for subsidies from the department—

That is an outright falsehood. The minister issues press releases under his own name. A monthly summary is issued by the minister giving the names and addresses of the companies that asked for and received offers of grants from the department. So he knows who they are and so does everybody else. The minister continued:

—never are those companies approached for funds, unless it is later on, and then I know not by whom.

I suggest the minister does know by whom. He is in charge of his department. Over the last three years his department has had $900 million of taxpayers' money available to give away to impoverished outfits like IBM. He then sends a letter inviting them to a cocktail, fund-raising party and signs his name to the invitation. Who else in the Liberal party would approach these companies and say, "Look here, IBM, you had $6 million; Union Carbide, you had $1.3 million; Falconbridge, you had $4 million; Noranda, we gave you $4.5 million. How about giving some back to our campaign fund?" Is anybody telling me that the Liberal party does not do that? Does the Minister of Regional Economic Expansion expect us to believe that this does not happen? Of course it does.

The minister is a member of the political party that runs the government of this nation. The minister is able to make gifts amounting to hundreds of millions of dollars to certain companies. Then he puts on his other coat and becomes the Liberal party fund raiser, or somebody in the Liberal party goes to the back door, knocks and says to these companies; "Remember how kind the government was to you? Won't you be kind to us now?" That is how the taxpayers' dollars are siphoned off. This money is given to these companies so that they can give some money back to the Liberal party in order that they can run an election campaign. The government is buying us out with our own dough.

No wonder the Prime Minister (Mr. Trudeau) does not want to see any disclosure of the source of campaign funds. No wonder he wants to protect his friends. No wonder he does not want to tell us who these 95 companies are the Liberal party has been living off over the years. No wonder he does not want to tell us that when he attended a fund-raising dinner in Toronto, IBM was represented, as was Union Carbide, Falconbridge, Noranda Mines and Gaspé Copper. Was that accidental, or were they wanting to pay their friends back again so that this same crowd of sellout artists could get back in and continue to sell us out?

• (1650)

The Minister of Regional Economic Expansion used to be a member of the trade union movement before he was vacuumed into the Liberal party. If this is the way he operated then, thank heaven I was not a member of a trade union when he was negotiating for us or we would have been faced with sellout programs every week.

Speaking of foreign ownership, he is not satisfied to have in this country a situation where in 1969, 94 per cent of the money United States corporations used to buy out Canadian industry came from Canadian sources, from borrowings in Canada, from profits in Canada and from tax loopholes under Canadian law. He is not satisfied to have that. The minister has now taken another $42 million, or something in that order, of the taxpayers' money to give to various United States corporations to buy us out further with our own money. That is the sort of sellout artists they are, and it is very regrettable that representa-

tives of that party stand up in the House and try to justify this sort of activity.

Mr. Deputy Speaker: Order, please. The hon. member's time has expired. The hon. member for Joliette (Mr. La Salle).

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, I was particularly anxious to participate in this debate because I represent a riding that has benefitted, for over a year now, from the advantages which derived from the programs of the Department of Regional Economic Expansion.

The privilege the minister granted my riding has been quite useful; I know a certain number of industries were able to settle there, and that some others derived some benefits.

As opposed to the mover of the motion, of course, I believe far more than he does in the validity of that policy. I feel there is far too much generalizing with regard to some of the weaknesses that may exist in so broad an Act as that on the Department of Regional Economic Expansion. I feel that we would stand to gain if, objectively, we brought out the positive results of that act, if we really want to dispel some of the doubts and misgivings of the people.

I would like especially to point out to the government and to the minister the importance of this legislation for my area. I think that my first responsibility is to request that the government give a very special attention to the 30th of June when designated areas will be reviewed and I make this request on behalf of the businessmen in my riding and the municipalities which are exceedingly fascinated by this policy and which could obtain far more benefits than hitherto.

I believe it is my duty to request the special attention of the minister to my region, not only to maintain the designation that it has already acquired, but to ask him to consider the economic pattern that is ours and the difficulties we encounter in terms of unemployment.

My riding borders on an area which is going through quite an amazing development, the area of the airport at Sainte-Scholastique which enjoys a more advantageous designation. There are also surrounding ridings which are accorded more substantial grants than mine.

Therefore I take the liberty, on behalf of all the people concerned in my riding—who are entitled, I think, to the same benefits—of asking the minister to weigh the difficulties against the advantages that a more attractive designation would bring about. As regards the particular review of my riding, I believe, thanks to the minister's objectivity and his efforts to secure not only investments, but also to make economic injections in various areas, that my riding could enjoy, through a more advantageous designation, the same benefits as accrued to some ridings adjoining mine as well as the area which will benefit from the airport at Sainte-Scholastique.

I am confident that my recommendation today in this debate that bears particularly on the department of Regional Economic Expansion will be well understood by the minister. I know that he knows well the area that I represent and I must say after all that for the past year and a half, contrary to the views expressed in this House today, all those men and women who have requested services of the department of Regional Economic Expansion have met with excellent co-operation from that department on various kinds of problems.

With respect to this legislation, although it contains some shortcomings or poses some problems, I must admit that on the whole, we must support it as serious members of Parliament if we want to serve the people because this legislation represents very considerable efforts on the government's part.

Again, we should maybe be thinking of working in a more positive or a more effective way with regard to the industry which has had to disappear and I did not think it fair to blame the minister for the difficulties we are facing. We have a duty, as responsible members of the House and as men anxious to serve their country, to acknowledge his efforts.

The co-operation of opposition members is also necessary. We have a responsibility to forget about our electoral interests, which in a while may be very useful, to try and think rather of the interests of a society which demands and requires co-operation of its representatives. The government, which after all is aware of this situation, is prepared to study concrete proposals to realize its objectives in the best interests of the Canadian people. But for that we need to be more positive than we have been so far, and not limit ourselves to making the kind of negative criticism of which we hear far too much in this House.

Mr. Speaker, my time has expired, and I like to think that my remarks will have served the best interests of the area which I have the honour of representing.

The Acting Speaker (Mr. Honey): It being five o'clock, it is my duty to inform the House that, pursuant to Standing Order 58(11), debate on the motion is over.

The House stands adjourned until Monday next at 2 p.m., pursuant to Standing Order 2(1).

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

HOUSE OF COMMONS

Monday, March 13, 1972

The House met at 2 p.m.

PRIVILEGE

MR. ROCK—REQUEST TO BE SEATED AS MEMBER OF OFFICIAL OPPOSITION

Mr. Raymond Rock (Lachine): Mr. Speaker, I rise on a question of personal privilege. Since the age of 13, with my heart and soul I have believed in and supported the Liberal party and its leaders. This innermost feeling has now petered out. With no regrets I have come to the conclusion that I cannot continue my support of this government and ask that I be seated across the floor with the official opposition as a Progressive Conservative member.

Some hon. Members: Hear, hear!

Mr. Hees: This is the beginning of the landslide.

An hon. Member: Watch them come now.

Mr. Paproski: The Polish members have to stick together.

An hon. Member: Send over the other 19.

Mr. Hees: This is going to be like those one-a day vitamins.

Mr. Cullen: Lots of luck, fellows.

ROUTINE PROCEEDINGS

On the order: Questions on order paper.

Mr. Speaker: Questions on the order paper. Order, please. The Chair has called questions on the order paper. Shall the questions stand?

Mr. Trudeau: With your permission, Mr. Speaker, in all the ruckus I did not hear you call motions—

An hon. Member: Are you coming over?

Mr. Hees: Here comes No. 2.

Mr. Trudeau: —and I would like to table—

Mr. Speaker: Order, please. There is a suggestion by the right hon. Prime Minister that although we have gone beyond the order of motions he be allowed to table a document. Is this agreed?

Mr. Stanfield: In view of the difficulties the right hon. gentleman is having, Mr. Speaker, I think we should co-operate with him.

Mr. Trudeau: I am happy to hear that because I have another statement to make on motions and therefore I am sure I will have agreement.

* * *

[*Translation*]

FAMILY INCOME SECURITY

FAMILY ALLOWANCES—TABLING OF LETTERS TO PROVINCIAL PREMIERS FROM PRIME MINISTER

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, pursuant to Standing Order 41(2), I should like to table, in both official languages, copies of letters which I sent to the provincial premiers concerning federal proposals on payment of family allowances.

[*English*]

Mr. Speaker: I understand the Prime Minister also has a statement to make on motions.

* * *

HOUSE OF COMMONS

STATEMENT BY PRIME MINISTER ON SECURITY OF MAIL AND TELEPHONES OF MEMBERS OF PARLIAMENT

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, on Friday the hon. member for Yukon asked whether the government is "aware of any practice or policy in government departments whereby personal and private mail directed to members of parliament from government employees, using the internal mailing facilities of the department, is intercepted and examined by departmental or any other security personnel." The hon. member asked whether in the case of unsigned correspondence there is any procedure "subjecting the envelopes and contents to fingerprint and other identification tests."

I want to tell hon. members categorically that there is no such government policy. Inquiries have been made of the RCMP on my behalf and I have been given positive assurance that nothing of the kind is done by the RCMP or on its behalf either in security work or in connection with criminal investigation. I am not aware of any such practice in any government department or agency and certainly there is no policy or direction in that regard. I should be astonished to learn that anything of the kind is going on anywhere. Frankly, I do not believe it is. If the hon. member has any evidence that it is in fact occurring, I think he has a clear responsibility, especially since he has raised this matter and given rise to widespread specula-

tion. It is his responsibility to give such evidence to me or to the Solicitor General.

Mr. Forrestall: What can you provide?

Mr. Trudeau: What are you babbling about?

Mr. Forrestall: I am not babbling. You are waffling.

Mr. Trudeau: If he can provide such evidence, I can assure him and this House that an immediate and thorough investigation will be made.

The hon. member for Mackenzie also raised a question on Friday with regard to the telephones of Members of Parliament. It is my understanding, Mr. Speaker, that the telephone services of members of parliament come within your own jurisdiction. So far as the government is concerned may I say, as categorically as in the case of the question relating to private mail, that there is no policy or practice by the government or by the RCMP to interfere in any way whatsoever with the telephones of members of parliament. If any hon. member has any evidence that such a thing is occurring, I would again think it is his responsibility to provide such evidence—in this case, I assume, to you, Mr. Speaker. The government would be glad to make any investigation that such evidence would suggest to be necessary or desirable.

• (1410)

Finally, the hon. member for the Yukon asked about long distance calls of members of parliament to and from constituents. The flat denials I have just made as to policy or practice by the government or by the RCMP in relation to members' telephones apply equally to long distance calls. There is no recording of any kind of which I am aware and certainly there is no policy of the kind the hon. member has suggested.

Mr. Erik Nielsen (Yukon): Mr. Speaker, the reference that I made to the Acting Prime Minister while the Prime Minister was away last Friday was not merely to telephone calls to and from members' offices involving constituents but long-distance telephone calls generally. With respect to the practice I alluded to last Friday the Prime Minister has said that the RCMP have assured him that no such practice or policy exists. But he says nothing about the security policy that exists within departments and which I believe to be part of the new security arrangements of the Solicitor General (Mr. Goyer) that were implemented a short while ago.

It is all very well for the Prime Minister to stand in his place and say to an hon. member who raises such a question that it is the member's clear responsibility to advance evidence, either to himself or to other members of the government, for the purpose of investigation or remedial action. But, Sir, what would happen if that were done?

Mr. Hogarth: Better fish or cut bait.

Mr. Nielsen: I did not hear the interjection by the hon. member for New Westminster.

Mr. Hogarth: Fish or cut bait.

[Mr. Trudeau.]

Mr. Nielsen: It is all very well for members opposite and for the Prime Minister to say that it is the clear responsibility of a member to adduce evidence. However, were that to be done—

Mr. Stafford: Four years ago you said that a hundred times.

Mr. Nielsen: —were that to be done the source of information, if it were a government source, would be fired, and fired immediately, and the Prime Minister knows that. He would dearly love to know the source of the leakage of the Gray report and the source of the leakage of documents concerning the Department of Indian Affairs and Northern Development, but if that source were to be disclosed it would mean the immediate dismissal of that civil servant.

I do not accept the Prime Minister's assurance that these practices are not being followed because my source is much too highly placed to be wrong.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. Introduction of bills.

Mr. Turner (Ottawa-Carleton): Mr. Speaker—

Mr. Speaker: Order, please. We have gone beyond motions. The House gave unanimous consent to reverting to motions to permit the right hon. Prime Minister to table documents and also to make a statement. My understanding was that we were then to go on to other items of business. But again with unanimous consent, if hon. members want to revert to motions to deal with other matters I have no objection. Is that agreed?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

Mr. MacInnis: On a point of order, Mr. Speaker—

Mr. Speaker: The hon. member for Cape Breton-East Richmond on a point of order.

Mr. MacInnis: I rise on a point of order because of the interjection from the other side of the House only to say that if the House leader wants to move a motion let him do it himself.

Mr. Speaker: Order, please. That is hardly a point of order. The House will now go on to the next item, questions on the order paper.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

CMHC LOAN TO VICTORIA WOOD DEVELOPMENT CORPORATION

Question No. 8—**Mr. Ryan:**

1. Does the CMHC loan to Victoria Wood Development Corporation Limited cover 95 per cent of the lending value of the low-cost rental part of the Main Square Development?

2. What amount of the CMHC total loan to Victoria Wood is earmarked for low-cost housing, and what amount is for other housing and commercial parts of the complex?

3. Does the loan cover 95 per cent of the lending value of the commercial part and the non-low cost housing part and, if not, what percentage?

4. What will be the total number of low rental apartment units in the Main Square Development and what amount per apartment unit is CMHC loaning to Victoria Wood?

5. Was any effort made by the government to involve a Canadian majority-owned and controlled development company in the development of Main Square at any stage of negotiations?

6. Is the Main Square Development leased by Victoria Wood to CMHC under terms that guarantee that CMHC will always pay sufficient rent to meet the mortgage payments?

7. What are the full terms of such lease?

8. Did CMHC investigate the possibility of having a Canadian majority-owned and controlled company manage the Main Square Development?

9. What methods were used to select a manager for the Main Square Development, and what are the terms of the management agreement?

10. Prior to or after the granting of the CMHC loan for Main Square were the plans altered to provide more housing units for tenants with school-age children and, if so, for what number of children was accommodation increased over the original estimate?

11. What amounts have been advanced to Victoria Wood by CMHC, when were such advances made, and what amount remains to be advanced?

Hon. Ron Basford (Minister of State for Urban Affairs): 1, 2, 3, 4. The CMHC loan to Victoria Wood Development Corporation Limited covers 92½ per cent of the lending value of the project. The total loan approved for the project is $13,774,000, with the loan attributable to the housing component being $12,685,000. A specific number of the housing units is not earmarked for low-income housing. The total number of housing units in the development is 1,080, with the average loan per unit being $12,753.

5. Victoria Wood had control of the Main Square site when it made application to CMHC for a loan. CMHC was not therefore in a position to involve anyone else.

6 and 7. The terms of the lease, within a contract between CMHC and Victoria Wood, are part of the arrangements between borrower and lender and are therefore confidential.

8. Management by Victoria Wood was part of the proposal submitted to and accepted by CMHC. Having assured itself that the total proposal, including management arrangements, was satisfactory, CMHC had no occasion to explore alternative arrangements.

9. See 6 and 7 above.

10. The number of bedrooms in the project is exactly the same as it was when the project was first presented for CMHC's consideration.

11. See 6 and 7 above.

Questions

ABITIBI CONSTITUENCY—DEPARTMENT OF PUBLIC WORKS PROJECTS

Question No. 48—**Mr. Laprise:**

What projects have been planned by the Department of Public Works in the constituency of Abitibi for the fiscal year 1972-73?

[*Translation*]

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

Location	Project
Amos	Repairs to fence Repairs to landscaping Replacement of drinking fountain
Cadillac	Remove furnace Interior painting
Chapais	Interior painting Exterior painting and fence Remove furnace Other
Chibougamau	Interior painting Exterior painting Toilet ventilation Asphalt resurfacing
Duparquet	Interior painting Remove furnace Modern electric heating in night lobby
Fort Chimo	Other
La Sarre	Exterior painting and fence Repairs to stairs and sidewalk
Macamic	Remove furnace Other
Malartic	Exterior painting and fence Backyard lighting Repointing
Normetal	Remove furnace Fence painting
Senneterre	Painting fence New emergency door
Taschereau	New Post Office building
Val d'Or	Painting fence Asphalt resurfacing

[*English*]

LUNENBURG, N.S.—FEDERAL BUILDING FENCE

Question No. 68—**Mr. Crouse:**

1. What is the name of the person who proposed the construction of an iron fence around the front of the federal building in Lunenburg, Nova Scotia?

2. Who constructed the fence?

3. What amount was spent on the construction of this fence?

4. What was the cost of removing this fence?

Hon. Jean-Eudes Dubé (Minister of Public Works): 1. The fence was proposed by Nova Scotia District officials of the Department of Public Works to protect a landscaped area.

2. D & E Industries, Ltd. Lunenburg.

3. $1,345.

4. $48.

NUMBER OF VISITORS GRANTED LANDED IMMIGRANT STATUS, 1971

Question No. 143—**Mr. Deakon:**

1. How many visitors to Canada have been granted landed immigrant status during the past 12 months?

2. From what countries did such persons come?

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): 1 and 2. See following table which reflects the latest 12-month figures available.

Non-immigrants in Canada Granted Landed Immigrant Status
Calendar year—1971

Country of Former Residence	Total
EUROPE	
Austria	66
Belgium	83
Bulgaria	14
Czechoslovakia	158
Denmark	52
Estonia	1
Finland	38
France	871
Germany	437
Greece	1,731
Hungary	163
Iceland	5
Ireland	120
Italy	1,450
Latvia	2
Malta	7
Netherlands	162
Norway	32
Poland	425
Portugal	1,754
Romania	104
Spain	164
Sweden	40
Switzerland	83
Turkey	86
England	1,919
Northern Ireland	56
Scotland	271
Wales	49
Lesser Br. Isles	4
U.S.S.R.	37
Yugoslavia	257
Other Europe	1
AFRICA	
Algeria	13
Egypt	226
Kenya	50
Morocco	40
Rhodesia	34
South Africa—Rep.	462
Tanzania	28
Tunisia	22
Uganda	65
Zambia	38
Other Africa	259
ASIA	
Burma	6
Ceylon	51
China	44
Cyprus	90
Formosa	174
Hong Kong	1,377
India	2,285
Indonesia	47
Iran	147
Iraq	37
Israel	238
Japan	275
Jordan	28
Kuwait	5
Lebanon	212
Malaysia	145
Pakistan	199
Philippines	361
Saudi Arabia	3
Syria	26
Other Asia	413
AUSTRALASIA	
Australia	543
New Zealand	178
Other Australasia	2
NORTH & CENTRAL AMERICA	
Barbados	253
Bermuda	88
Central America	150
Jamaica	1,590
Mexico	331
St. Pierre & Miquelon	24
Trinidad	1,589
Tobago	20
U.S.A.	19,594
Other Br. W. Indies	481
Other West Indies	840
SOUTH AMERICA	
Argentina	152
Brazil	262
Guyana	1,005
Chile	211
Columbia	186
Peru	307
Uruguay	312
Venezuela	114
Other S. America	365
OCEANIA	

Fiji Islands	217
Other Oceania	1
Other Countries	39
Total	46,896

INTERNATIONAL BOOK YEAR

Question No. 156—**Mr. MacDonald (Egmont):**

1. When is International Book Year?

2. Has Canada made a commitment to participate in International Book Year and, if so, on what date?

3. What steps has Canada taken to observe International Book Year?

4. Has an amount been set aside for this project and, if so, what amount?

5. Who will be responsible for implementing projects?

6. What opportunity will there be for public participation?

7. What are the goals of Canada's participation in International Book Year?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): 1. 1972 has been proclaimed "International Book Year" by UNESCO.

2. Canada has agreed to celebrate International Book Year on February 24.

3. The government has set up an interdepartmental committee consisting of interested departments and agencies under the chairmanship of the Department of the Secretary of State. Its purpose is to organize the activities of public and private bodies, particularly professional book associations.

4. Yes; the amount provided is $400,000.

5. The Secretary of State.

6. The Secretary of State Department is organizing broad consultations in March with the provinces, numerous professional organizations and individuals interested in books, for the purpose of developing a complete program for the year and stimulating public participation.

7. The activities marking International Book Year are designed to encourage reading and awaken the public to the importance of books.

[*English*]

NUMBER OF SUSPENSIONS FROM LE DAIN COMMISSION AS A RESULT OF DRUG POSSESSION OR TRAFFICKING

Question No. 211—**Mr. Yewchuk:**

Since its inception, has anyone been suspended from the Le Dain Commission because of possession and for trafficking in hallucinogenic drugs and, if so (a) how many (b) how many of those suspended are still receiving a salary from the Le Dain Commission?

Hon. John C. Munro (Minister of National Health and Welfare): (a) Yes. One person suspended for possession; (b) None.

Mr. Diefenbaker: Mr. Speaker, I should like to raise the matter of the failure of the government to answer starred questions. On March 1 I asked the following question, No. 242:

In what towns, villages, or municipal areas have projects under the local initiatives program been approved and in what amounts in the constituencies of (a) Saskatoon-Humboldt (b) Prince Albert (c) Saskatoon-Biggar?

There is no reason why that question should not be answered. The government has the information. They sent me an answer but it is altogether mixed up and wrong. I also asked question No. 243, which is not starred:

How many projects as of this date have been approved under the local initiatives program, and in what total amounts in (a) Saskatchewan (b) Alberta (c) Manitoba?

Sir, it is bad enough not to be able to get answers to questions asked orally in the House of Commons but it is worse when the government deliberately flouts the practice of the House with reference to starred questions.

Some hon. Members: Hear, hear!

Mr. Cullen: Mr. Speaker, the right hon. gentleman is, of course, in error. The government never flouts any question asked by the right hon. gentleman, and I can assure him we will be looking into the matter.

Mr. Diefenbaker: Look into it—12 days late?

ORAL QUESTION PERIOD

LABOUR CONDITIONS

STATEMENT BY PRIME MINISTER CONCERNING REFUSAL BY PERSONS RECEIVING UNEMPLOYMENT INSURANCE BENEFITS TO ACCEPT JOBS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I always feel strong in the presence of the hon. member for St. Boniface. I have a question for the right hon. the Prime Minister. In view of the statement made by the Prime Minister, and I quote, "You know, there are people on unemployment insurance who prefer not to work and they have a perfect right to make that decision", I would ask him when the laws of this country were changed to justify that statement?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I must have missed something because I did not understand the question.

Mr. Diefenbaker: Nobody understood your statement.

Mr. Stanfield: In view of the statement the Prime Minister made over the weekend that "there are people on unemployment insurance who prefer not to work and they have a perfect right to make that decision . . . should be no stigma attached to them . . . they paid their unemployment insurance", can the right hon. gentleman tell the House when the law of this country was changed to make—

Mr. Speaker: Order, please. I have no objection to allowing the right hon. Prime Minister to answer but certainly that is argument. I suggest to the hon. gentleman who is asking the question that he might like to rephrase the question or ask a supplementary.

Mr. Stanfield: Mr. Speaker, on a point of order, the Prime Minister has made a statement inconsistent with the law of this country and which seems, on the face of it

at least, to encourage people to break the law. It is for this reason I am pursuing this line of inquiry. I would like to ask the Prime Minister when the law of this land was changed and if it was—

Mr. Speaker: Order, please. I suggest to the Leader of the Opposition that a question asked in those terms is argument, not a question seeking information. I am inviting him to ask the question in another way. It is as simple as that.

Mr. Stanfield: I will ask the Prime Minister whether the statement that there are Canadians drawing unemployment insurance benefits who are making the decision not to work is based upon information he has or whether it was just made off the top of his head. Is it based on any study or any authoritative figures?

Mr. Trudeau: No, Mr. Speaker, it is not based on a study; it is just common knowledge that some people do not accept jobs which are offered to them by the unemployment insurance offices. I remember a case of a young man in Toronto at one of my rallies who had a placard asking for a million jobs. I said, "Do you want one job or a million?" He wanted a million. Later he came to see me and said he would take one job. I asked for his name and I looked into the matter. He had been offered two jobs by the Manpower offices but two were not enough and he turned them down. He still wanted a million jobs. That is the kind of case which is fairly frequent.

• (1420)

Mr. Stanfield: Mr. Speaker, it is too bad that this young man did not appreciate more the great efforts the Prime Minister was making on his behalf.

Some hon. Members: Hear, hear!

Mr. Hees: There are lots of jobs available in the Privy Council office.

Mr. Stanfield: Inasmuch as the Prime Minister's statement was not qualified in that manner but was a simple statement that there are Canadians who prefer not to work and to draw unemployment insurance, and since in those terms it is an obvious encouragement to Canadians to break the law, may I ask the Prime Minister, in his capacity as Prime Minister, to correct this impression and to withdraw that statement as it was made?

Mr. Speaker: Order, please. I find it very difficult to accept this kind of question. It is obviously debate. Again, I will not oppose the Prime Minister replying to the question or suggestion by the Leader of the Opposition, but when in a supplementary question he invites the Prime Minister to withdraw a statement made outside the House I cannot see how that can be acceptable as a question asked during the question period.

Mr. Stanfield: Mr. Speaker, I will ask a perfectly non-argumentative supplementary. The Prime Minister has spoken about the many thousands of jobs that are vacant in this country. Will he tell the House how many of these jobs there are and what measures he is prepared to take to assist people to take advantage of them?

[Mr. Stanfield.]

Mr. Trudeau: Mr. Speaker, it is marvelous, every Monday, to see that the opposition has done nothing better over the weekend, it appears to me, than to read some abbreviated reports of speeches I have made.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Trudeau: I am very pleased to see that they are spending their weekends that way, although it might be more productive if they would think up some policies rather than nitpick. To answer the question, I think the Leader of the Opposition is referring to a statement I made, I believe in Victoriaville, in which I reiterated some information we had—I said it was several months ago—from Manpower offices in Montreal that there were something like 10,000 jobs available at the Manpower offices in Montreal. That is a clear statement. It does not go beyond that. If the opposition is hiding that fact from itself—

Mr. Speaker: Order, please.

Mr. Trudeau: —they are not realistic. However, it is a clear fact that there are jobs—

Mr. Speaker: Order, please.

Mr. Trudeau: I am sorry, Mr. Speaker.

Mr. Speaker: Again, I suggest that the reply given by the Prime Minister is also partly argumentative or debate. I do not think the question period was intended for this kind of debate which takes quite a bit of the time of the question period from day to day. I would hope the question period would be used for the purpose for which it is intended, the seeking of information.

Mr. Stanfield: Mr. Speaker, I rise on a point of order. I do not want to annoy the Prime Minister, of course, but I want to tell him that when he goes out every weekend making silly statements he has to expect pretty vigorous questioning.

Some hon. Members: Hear, hear!

Mr. Trudeau: Mr. Speaker, on the same point of order—

Mr. Speaker: Order, please. I doubt whether the alleged supplementary of the Leader of the Opposition was a supplementary question. It is a continuation of debate. I doubt that the matter should be pursued further. Unless the Prime Minister has a point of order to raise, I would be prepared to go to the next question.

Mr. Trudeau: Mr. Speaker, I am really rising on the same point of order. I simply say that if the opposition holds that there are no jobs being offered in Canada to people at large, if there are no such vacancies, then my statement may have been silly and then they may have a quarrel with me, but until they say there are no jobs being offered in Canada it seems to me that this whole line of argument is just hypocritical.

ENFORCEMENT OF LAW REQUIRING PERSONS RECEIVING UNEMPLOYMENT INSURANCE BENEFITS TO MAKE THEMSELVES AVAILABLE FOR WORK

Mr. David Lewis (York South): Mr. Speaker, since a statement by the Prime Minister of the country may easily be believed by people across Canada—

Some hon. Members: Oh, oh!

Mr. Lewis: —easily and unfortunately, Mr. Speaker—

Some hon. Members: Oh, oh!

Mr. Lewis: —and in view of some of the statements the Prime Minister has made, may I ask these questions, not as nitpicking but because they are important for the understanding of the people of Canada. Is the Prime Minister aware that the Unemployment Insurance Act requires a person seeking to draw unemployment insurance benefits to make himself available for work? As he made the statement there are people who prefer not to work and to take unemployment insurance benefits, is the Prime Minister doing anything to get the present law, not any new law, enforced so that people who draw unemployment insurance benefits do in fact make themselves available for work?

Right Hon. P. E. Trudeau (Prime Minister): I think the answer is very simple, Mr. Speaker. A person who does make such an application, which he is obligated to do under the law, is not obliged to accept any job that is offered to him at any salary and at any place in the country. I would have thought the hon. member would know of such a provision in the law.

Mr. Speaker: Order, please. I will recognize the hon. member for York South and there are four or five additional members seeking supplementaries. We have spent ten minutes on the first question. Perhaps we should limit the number of supplementaries and, if there is time, eventually return to this matter. For the moment the Chair will recognize the hon. member for York South on a supplementary.

AVAILABILITY OF JOBS FOR UNEMPLOYED

Mr. David Lewis (York South): Your Honour may wish to treat this as an original question rather than a supplementary. Is the Prime Minister saying that there are some jobs available, which no doubt there are on any given day, but jobs at very low wages and in undesirable working conditions which he is asking the unemployed to accept, no matter where they live? Is that the idea?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, certainly with the first part of that statement I am glad there is agreement between the leader of the New Democratic Party and myself. There are some jobs available. That is all I have been saying.

Mr. Lewis: As unemployment in the middle of January was 635,000 and in view of the likelihood that the unemployment figures which I understand may be released tomorrow will again show that level of unemployment, higher unemployment or a few thousand lower—I do not know what they will show—is the Prime Minister suggesting there is more than one job per 12 or 15 unemployed available anywhere in Canada at this time? Is he suggesting that all the unemployed can find jobs or that even 95 per cent of them can find jobs?

Mr. Speaker: Order, please. I am sure the hon. member appreciates that this is debate. For the moment I will recognize the hon. member for Prince Edward-Hastings on a supplementary.

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a supplementary question for the Prime Minister. Can he offer any advice to those who are out of work and looking for a job other than what he offered in Victoriaville, namely, that people now leave where they are living and be prepared to work with a pick and shovel?

Mr. Trudeau: Mr. Speaker, I said that the opposition had spent some time over the weekend reading badly abbreviated speeches I had made. I must also say that they are probably very poor readers of those bad reports.

Mr. Speaker: Order, please. I will return to this subject in a moment. We will now move on to the second subject.

* * *

[*Translation*]

MANPOWER

LOCAL INITIATIVES PROGRAM—PROJECTS NOT APPROVED—PROVISION OF ADDITIONAL FUNDS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, in view of the absence of the President of the Treasury Board, may I put my question to the Minister of Finance. I see him smile: it augurs well.

As many local initiative projects presented either by municipalities or other bodies have yet to be approved, for lack of funds—no one says so, but that would seem to be the reason—may I ask the Minister of Finance whether or not additional funds will be put at the disposal of the Department of Manpower and Immigration to enable it to approve those projects, especially in the underdeveloped areas, and in particular in the riding of Bellechasse?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, in this regard I must consult my colleagues the Minister of Labour and the Minister of Manpower and Immigration.

* * *

• (1430)

[*English*]

POWER

JAMES BAY HYDROELECTRIC DEVELOPMENT—PERMITS REQUIRED UNDER NAVIGABLE WATERS PROTECTION ACT—FEDERAL GOVERNMENT POSITION

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Prime Minister. On March 3 my hon.

friend the Leader of the Opposition, referring to the fact that a member of the government had admitted that permits were required under the terms of the Navigable Waters Protection Act in respect of the James Bay project, asked the Minister of Transport whether any applications had been received for permits under that act. The minister said he did not believe so but that he would inquire whether any had been made and let the House know. Since the minister has not indicated whether any permits have been issued, I should like to ask the Prime Minister the following question: In light of the provision of the act which says that no work shall be built upon, over, under, through or across any navigable water in the absence of such permission, and in light of the fact that two bridges are presently being built, one across the Bell River and another across the Waswanipi River, can the Prime Minister explain to the House why the government condones this breach of the law and is an accessory to the fact?

Mr. Speaker: Order, please. The hon. member's question obviously contains statements or allegations. The hon. member asks the Prime Minister why the government condones what he calls a breach of the law. That in itself amounts to a statement. The hon. member might like to rephrase his question.

Mr. Baldwin: Yes, Mr. Speaker. I will rephrase the question and put it in this way: Have applications for permits been received in respect of these two bridges and, if not, will the Prime Minister inquire why these bridges are being allowed to be built, apparently in breach of the law?

Right Hon. P. E. Trudeau (Prime Minister): I must say that this question, in its rephrased form, is the kind of question I like to hear from the opposition, because it genuinely seeks information, something which is rather rare during the question periods. Since the hon. member is genuinely looking for information, I will be very pleased to take notice of the question. I could have done so already had he placed it upon the order paper. But I will gladly take note of it now and refer it personally, or through someone in my office, to the Minister of Transport personally or to someone in his office. We shall do our best to get a good answer to the question and convey the information to the House leader of the very valiant Conservative party.

Mr. Baldwin: Would the Prime Minister give me an answer which is cluttered up by facts?

Mr. Speaker: Order, please.

Mr. Trudeau: Yes, Mr. Speaker.

Mr. Speaker: Order, please. The hon. member for Selkirk.

[Mr. Baldwin.]

MANPOWER

ON-THE-JOB TRAINING—REQUEST FOR STATEMENT ON NECESSITY FOR ADDITIONAL FUNDS AND ACCOUNTING RESPECTING MONEY SPENT ON INDUSTRIAL TRAINING

Mr. Doug Rowland (Selkirk): Mr. Speaker, my question is for the Acting Minister of Manpower and Immigration. In light of the recent announcement that an additional $30 million is to be spent on the program for on-the-job training, will the minister undertake to make a statement on motions explaining the necessity for this additional appropriation and the purposes for which it will be used? Could he at the same time present an accounting for the $40 million which has already been spent on the industrial training program, bearing in mind that no such report has yet been made available to the House?

Hon. Martin P. O'Connell (Acting Minister of Manpower and Immigration): Mr. Speaker, the reason for making additional funds available is very simple and can be explained in a moment. It was done to accommodate the many useful further projects in connection with the on-the-job training program which could be in place by March 31. The number of persons who could be employed on these projects was sufficiently large, and costs were sufficiently low in relation to them, that the government decided to make additional funds available for these projects which must be in operation by March 31.

Mr. Rowland: Perhaps the minister could give consideration to making a statement in response to the second part of my question. In any event, can he inform the House whether any safeguards exist which would ensure that moneys being spent on the industrial training program are being employed for the purpose intended, that of training, and not simply as a means by which employers may reduce labour costs at public expense? If there are such safeguards, what are they?

Mr. O'Connell: Yes, Mr. Speaker, I am sure I could refer the hon. member to the regulations concerning the safeguards which are maintained. But I would point out to him that these projects are contracted projects and the employer is obliged to follow the contract which is to put people on the job in training.

* * *

LABOUR CONDITIONS

STEPS TO ASSIST UNEMPLOYED TO RELOCATE

Mr. Steven E. Paproski (Edmonton Centre): I have a supplementary question for the Prime Minister. In view of the right hon. gentleman's suggestion, as reported in the Toronto *Star*, that Canadians who are out of work could find jobs provided they were willing to relocate elsewhere—

Mr. Speaker: Order, please. I will recognize the hon. member but his question is hardly supplementary to that just put by the hon. member for Selkirk. If there are no supplementaries to that question, I will recognize the hon. member for Edmonton Centre.

Mr. Paproski: Thank you, Mr. Speaker. I was just about to reach that part of my question which is supplementary to the one raised by the hon. member for Selkirk. What steps does the Prime Minister intend to take to assist the unemployed to relocate? Can the Prime Minister tell the House where these surplus jobs can be found?

Right Hon. P. E. Trudeau (Prime Minister): There is a provision in the law providing for manpower mobility. If the hon. member would look up that provision he would find the answer to his question.

Mr. Paproski: Where are the jobs?

Mr. Trudeau: There is one in your seat.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

* * *

INCOME TAX ACT

INQUIRY AS TO INTRODUCTION OF AMENDMENTS

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Finance. Would the minister advise the House when he intends to introduce the amendments which were promised by his predecessor on December 20 when he appeared before the Senate committee on Banking, Trade and Commerce on what was then Bill C-259 and promised to introduce amendments early in the new year?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, in terms of this session it is still early in the new year. The Minister of State from Calgary South and myself are reviewing these propositions and the possibility of amendments on an active basis.

Mr. Hees: Obviously, what the minister's predecessor gave the Senators was a "con job". I have a supplementary question, Mr. Speaker. I would ask the Minister of Finance whether he has yet acquired sufficient competence in his job to bring down a budget before Easter?

Mr. Speaker: Order, please. I am not sure whether I should rule that the question is hypothetical, but it is out of order on other counts.

* * *

LABOUR CONDITIONS

UNEMPLOYMENT—ACCURACY OF STATISTICS—NEW POLICIES TO PROVIDE JOBS

Mr. David MacDonald (Egmont): Mr. Speaker, my question is for the Prime Minister. Since the right hon. gentleman has indicated that things are not as bad as the statistics would suggest, does he propose taking some action to change the manner by which Statistics Canada produces information, or does he have access to other figures which so far have not been made public?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker. No such steps are required. But it is hoped that anyone who looks at statistics will look at them intelligently, even members of the opposition.

Some hon. Members: Oh, oh!

Mr. MacDonald (Egmont): Since the Prime Minister expressed some dissatisfaction with current manpower policies, I wonder whether he or the minister is planning to introduce changes with respect to manpower legislation to in fact relate all these jobs which are supposedly available to Canadians who are presently out of work, numbering some three-quarters of a million?

Mr. Trudeau: I did get an admission from the leader of the New Democratic Party that there were some jobs available, and that is the answer to the question.

Mr. Speaker: Order, please. The hon. member for Egmont rises on a point of order. After we have disposed of the point of order the Chair will recognize the hon. member for Vancouver-Kingsway.

Mr. MacDonald (Egmont): On a point of order, Mr. Speaker, repeatedly this afternoon the Prime Minister has embellished his answers with irrelevant comments and not answered questions. He has made gratuitous references of one kind or another which are most unsuitable, and certainly improper under the rules of the House. I asked the Prime Minister a straightforward question with regard to manpower policy. I did not receive an answer, and I wonder if he would show me the courtesy of replying.

Mr. Speaker: The hon. member for Vancouver-Kingsway.

* * *

WELFARE

BRITISH COLUMBIA LEGISLATION LIMITING PROVISION OF ASSISTANCE—REQUEST FOR FEDERAL ACTION

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I wish to address a question to the Minister of National Health and Welfare. Can the minister inform the House whether, in light of the provisions of the Canada Assistance Plan with respect to persons in need and the appeal provisions included in that legislation, he has studied Bill 49, introduced in the British Columbia legislature by welfare minister Gagliardi, which would give that minister absolute discretion to decide who should receive social assistance and would deprive welfare recipients of the right to appeal?

• (1440)

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I would advise the hon. member that I have just heard about this proposed legislation in British Columbia and am looking into the matter now. After I have had a chance to study it I would be pleased to report back to the hon. member.

Mrs. MacInnis: In looking at the matter would the minister consider measures to deal with the problem, including the withholding of federal money from British Columbia and all other provinces that are violating the Canada Assistance Plan, if he finds that they are, and make an early statement to the House on his findings?

Mr. Munro: Mr. Speaker, with all respect to the hon. member, the question is purely hypothetical at this stage. I should like to have a chance to find out what the legislation is all about and then I will report back.

* * *

[*Translation*]

MANPOWER

LOCAL INITIATIVES PROGRAM—PROVISION OF ADDITIONAL FUNDS

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I have a question for the Prime Minister.

Considering that many local initiatives projects could not be accepted or carried out because of a lack of funds-and this I find unfortunate for small localities—would the Prime Minister tell the House whether the government intends to present a supplementary budget so that some projects may be carried out?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I thank the hon. member for having voiced his approval of the Local Initiatives Program and also for having commented on its success.

To answer his question and for the moment, I can only say that no decision has been taken to that effect. We have created over 85,000 jobs through this program and, for the moment, we do not intend to renew it. But the question will remain under review.

LOCAL INITIATIVES PROGRAM—DURATION OF JOBS CREATED

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I have a supplementary.

May I ask the Prime Minister whether the 85,000 jobs to which he has just alluded are of a greater duration than 8 weeks, or if rotation took place while some projects were carried out, which would have resulted in the multiplication of jobs when at times those jobs may have lasted only three or four weeks?

Mr. Speaker: It seems to me that the supplementary asked by the hon. member is of a statistical nature. In my opinion, it should normally be put on the order paper. If there is any urgency, the hon. member may wish to give notice, and I will see to it that it is considered on the adjournment motion.

Mr. Lambert (Bellechasse): Ten o'clock, Mr. Speaker.

[Mr. Munro.]

[*English*]

ADMINISTRATION OF JUSTICE

RELEASE OF YVES GEOFFROY FROM ST. VINCENT DE PAUL PENITENTIARY—REQUEST FOR TABLING OF PASSPORT APPLICATION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. About nine or ten days ago I asked the minister, in connection with the Geoffroy case, whether or not he would table in the House a copy of the application for a passport for Geoffroy and his paramour, and as yet I have not received an answer. It should be a most revealing document, one that I am sure will go a long way toward clearing up doubts in the minds of people in general concerning the issue of that passport.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I regret that I have not made a decision on this matter. Perhaps I should explain to the House that there is nothing in these documents that we have any fear of revealing. Unfortunately there is the name of what is apparently an innocent man involved, a person whose name had been forged. I have had some hesitation in tabling such a document, because I know that if his name became known the casual reader might come to feel that he had had something to do with the case. In due course all these documents, I suppose, will be revealed when the case against Madame Geoffroy is proceeded with, but I will try within the next day or two to reach a decision on the matter.

Mr. Diefenbaker: Mr. Speaker, ten days have gone by since the minister said he would look into the matter. No one wants to do any harm to an innocent person. All the minister will have to do in producing this application is to say that the name of the individual who is the sponsor was forged, and then there will be nothing adverse resting on the individual.

I do not know what the Prime Minister is pointing at, but I am afraid that he will start to swear.

Mr. Speaker: The hon. member for Kenora-Rainy River.

Mr. Reid: Mr. Speaker, my question is for the Secretary of State.

Mr. Diefenbaker: Mr. Speaker—

Mr. Speaker: Order, please. I was under the impression that the right hon. gentleman had asked his question, that the minister had replied, and the matter was to rest there. The Chair then recognized the hon. member for Kenora-Rainy River. If the right hon. gentleman has a supplementary, I will recognize him.

Mr. Diefenbaker: Mr. Speaker, I rise on a point of order. The Prime Minister was making signs to me to sit down. When Your Honour told him to sit down a few minutes ago he stood for fully two minutes.

Some hon. Members: Oh, oh!

Mr. Hees: Disgraceful show of manners. Let him have it, John.

Mr. Trudeau: You have a good supporter now.

Mr. Speaker: Order, please. I appreciate that hon. members seem to be enjoying themselves, but a number of others are anxious for an opportunity to ask questions. Therefore we might try to proceed with greater celerity.

Mr. Diefenbaker: Mr. Speaker, there is no hilarity that is on the other side of the House. Today they are disturbed by the Rock incident. Is it the minister's considered opinion that this document will be produced in the House, in view of the fact he has stated that in any event when the trial takes place it will be available? It should therefore be made available to the House.

Mr. Sharp: Mr. Speaker, I think the right hon. member, as a well known protector of civil liberties, would feel that I ought to consult with those who will be prosecuting in order to find out whether it would in any way interfere with the course of justice. If I am satisfied it does not, I am sure I will be able to satisfy the right hon. member.

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PUBLIC SERVICE

POLICY RESPECTING LEAVE FOR EMPLOYEES WISHING TO BE CANDIDATES IN FEDERAL ELECTION—REFUSAL OF LEAVE AND SUSPENSION OF ANN BOOTH

Mr. John M. Reid (Kenora-Rainy River): Mr. Speaker, my question is for the Secretary of State. Is it the policy of the government to permit those federal civil servants who wish to present themselves as candidates in the forthcoming federal election the privilege of taking leave from the public service, as was the case during the last provincial election?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, this question does not fall within my jurisdiction. It should be put to my colleague the President of the Treasury Board, or to the Chairman of the Public Service Commission.

[*English*]

Mr. Reid: Mr. Speaker, I have a supplementary question. May I put the same question to the Prime Minister and add a supplementary to it. Would the Prime Minister look into the case of a Miss Ann Booth who has been refused leave to seek a nomination and has been suspended today by the Public Service Commission?

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

Mr. David MacDonald (Egmont): Mr. Speaker, I have a supplementary question for the Prime Minister. While he is making this investigation will he also see whether or not some of the former drop-outs might be expected back after the next election?

Mr. Speaker: Order, please. I seek the assistance and co-operation of hon. members to reduce the number of supplementaries, and also points of order, so that we may proceed to the end of the question period and allow as many members as possible to ask questions.

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AGRICULTURE

INCREASE IN FEED GRAIN SUBSIDY—EXCLUSION OF PRINCE EDWARD ISLAND

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to direct a question to the Minister of Agriculture who, according to the iniquitous roster system, should be here today. I should like to ask why Prince Edward Island was excluded from the list of provinces for which Canadian Livestock Feed Board subsidies for feed grain are to be increased, and has the minister received any indication of when this egregious oversight will be corrected?

Mr. Marcel Lessard (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I will take this question as notice and speak to the minister about it, and if there is any information I will report back to the House.

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LABOUR CONDITIONS

FEDERAL MINIMUM WAGE—INQUIRY AS TO INCREASE

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct a question to the Minister of Labour. Now that the government has the authority, either by regulation or by order in council, to raise the amount of the federal minimum wage, may I ask whether consideration is being given to doing this, particularly in light of the recent increases in the cost of living?

• (1450)

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, the minimum wage is constantly under review and if a change is to be made it will be announced in due course.

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CANADIAN BROADCASTING CORPORATION

DISPUTE WITH NABET—REQUEST FOR STATEMENT ON NEGOTIATIONS

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is directed to the Secretary of State. I asked him last week if he had anything to report to the House on the continuing guerilla warfare between the Canadian Broadcasting Corporation and NABET in respect of CBC problems. On his return from the west he said he had not had a chance to check. Would he tell the House now what the present status is of this dispute?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I have followed these developments, but the situation is so fluid that if I made a report now, it might prove absolutely

without value at 4 or 5 this afternoon. There will be a time, no doubt, when the situation will stabilize around a bargaining table and I will then be in a position to make a useful report.

* * *

[*English*]

EXTERNAL AFFAIRS

IMPRISONED SYRIAN JEWS—GOVERNMENT ACTION

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is for the Secretary of State for External Affairs. It is a humanitarian question in respect of the plight of imprisoned Syrian Jews about which the international secretariat of Amnesty International has recently expressed very sharp concern. Can the minister advise whether the government has been made aware of this situation? If so, what action has it taken or does it intend to take on this issue?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Yes, Mr. Speaker, we have been informed and we have been working through our diplomatic channels to see whether we can do something effective on behalf of these people.

Mr. Forrestall: Can the Secretary of State for External Affairs indicate whether or not he anticipates any position which would afford the government an opportunity to take some initiative in this case within the next week or ten days?

Mr. Sharp: Mr. Speaker, I hesitate to discuss this question too specifically. We have found that we have been most effective on behalf of people in this circumstance if we move quietly without declaration and without publicity.

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LABOUR CONDITIONS

WAGES PAID TO FARM AND TOBACCO WORKERS IN ONTARIO

Mr. S. Perry Ryan (Spadina): Mr. Speaker, my question is for the Prime Minister. Since on the weekend the Prime Minister led the public to believe that farm and tobacco workers in Ontario receive the minimum wage, would the Prime Minister inform the House as to what minimum wage law affects farm and tobacco workers in Ontario?

Right Hon. P. E. Trudeau (Prime Minister): Well, Mr. Speaker, it would seem to me it would probably be the minimum wage laws of Ontario rather than of any other province.

Mr. Ryan: As Ontario farm and tobacco workers are not covered by provincial and federal minimum wage statutes and as 42 per cent of farm workers in Ontario receive less than the provincial minimum wage, would the Prime Minister consider correcting his advice to Quebec residents who may be considering moving to Ontario for employment?

[Mr. Pelletier.]

Mr. Speaker: Order, please. There are three minutes remaining before the end of the question period. I would hope that we might limit supplementaries. If the hon. member has a supplementary he will be recognized, but I would hope we would try to have no more supplementaries in the last three minutes.

ALLEGED IMPORTATION OF ASIANS TO WORK IN BRITISH COLUMBIA COAL MINES

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I wanted to ask a supplementary earlier in respect of the last revision of Aesop's Fables over the weekend having to do with the statement of the Prime Minister that British Columbia coal mines import Asian labour. I wonder whether the Prime Minister, with that appreciation of statistics which he said we all should heed, could inform the public as to what year he was referring to and has he any statistics to justify—

Mr. Speaker: Order, please. This type of question should be on the order paper. I cannot accept that it is a proper question at this time.

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CONSUMER AND CORPORATE AFFAIRS

INQUIRY AS TO INTRODUCTION OF COMPETITION BILL

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. It arises from a report from Winnipeg that the government has made no commitment that the competition bill will be introduced during this session of parliament. Can the minister inform the House whether the government has any timetable for the introduction of this legislation?

Hon. Robert K. Andras (Minister of Consumer and Corporate Affairs): Mr. Speaker, the report in the paper was somewhat erroneous. I was saying that there were certain measures which would have to be taken first before we could give a firm date. Those measures are primarily: consultation will all the provincial governments, and concurrently, return consultation with those who have submitted briefs. Both those series of meetings have been scheduled. One meeting took place in Manitoba on Saturday with the Manitoba government. Other seminars begin this Wednesday.

• (1500)

Mr. Dinsdale: A brief supplementary—

Mr. Speaker: Order, please. The Chair will recognize the hon. member for a supplementary and then we will be pretty close to the end of the question period. I suggest to hon. members that an attempt should be made by them to try to limit the number of supplementaries.

Mr. Dinsdale: Mr. Speaker, in light of the constitutional go-ahead given by the province of Manitoba, can the minister indicate whether unanimity on this point will be required before the bill is proceeded with.

Mr. Andras: Mr. Speaker, I would not make such a decision at this stage.

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NATIONAL PARKS

REASON FOR MANITOBA GOVERNMENT CEASING NEGOTIATIONS FOR SECOND PARK

Mr. Joseph-Philippe Guay (St. Boniface): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. Is the reason the Manitoba government has stopped negotiations with the federal government for establishment of another national park in Manitoba that there has been a change in the federal policy on parks or are there any other reasons?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I do not understand very much the government of Manitoba because as I said before in the House, the then member for Selkirk asked me the same question. I think it is a problem he has. He has more difficulty coping with the mining interests than I had when I established new parks in the north.

Mr. Speaker: Order, please. The hon. member for Yorkton-Melville.

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HEALTH

REQUEST FOR TABLING OF REPORT ON PREPACKAGING OF CERTAIN PRESCRIPTION DRUGS TO CUT COST

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. Last Friday I asked the Acting Prime Minister whether or not he would make public a confidential government report dealing with the cutting back of drug prices by prepackaging. This report has been leaked to the press. The Acting Prime Minister told me he would ask the minister whether or not he would make the report public and I ask him now whether or not he will?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, that whole subject matter is the responsibility of my colleague the Minister of Consumer and Corporate Affairs. I believe the question should be directed to him.

Mr. Nystrom: May I have an answer to the question then?

Mr. Speaker: Order, please. The hon. member for South Shore.

Mr. Crouse: Mr. Speaker, I have a question—

Mr. Speaker: Order, please. I apologize to the hon. member, especially because he has been so patient over the last 40 minutes. The Chair will recognize the hon. member for Yorkton-Melville on a point of order and the last question will be the one to be asked by the hon. member for South Shore.

Mr. Nystrom: Mr. Speaker, I believe the Minister of Consumer and Corporate Affairs did not hear my question. Perhaps I may repeat it. On Friday I asked the Acting Prime Minister whether or not he would make public a confidential government document on cutting back drug prices by prepackaging. The Acting Prime Minister said he would take it up with the responsible minister. Can the minister say now whether or not that report will be made public?

Hon. Robert K. Andras (Minister of Consumer and Corporate Affairs): Mr. Speaker, I will give that consideration and report back.

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HARBOURS

SMALL CRAFT FACILITIES—TRANSFER OF ADMINISTRATION— MINISTER TO WHOM PETITIONS TO BE DIRECTED

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct a question to the Minister of Public Works. The Minister of the Environment today in Vancouver is making a very important policy announcement wherein he states that the administration of small craft harbours at long last is being transferred from the federal Department of Transport to the federal fisheries services and that they will be asking commercial fishermen who want additional services provided for their fleets to organize local committees and submit their proposals to the Minister of the Environment. My question to the minister is, has this change been considered in the cabinet and will we on this side of the House in future be directing any petitions we receive for new additional public wharves or facilities such as skidways and so on, or for dredging, from fishermen in Atlantic Canada to the Minister of the Environment or to the Minister of Public Works.

Hon. Jean-Eudes Dubé (Minister of Public Works): Mr. Speaker, I believe I should first read the statement made by my colleague before I am called upon to make any comment on it.

Mr. Speaker: Orders of the day.

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AGRICULTURE

POTATOES—RESPONSE TO REPRESENTATIONS FOR ACTION TO RELIEVE DEPRESSED MARKET—POSSIBLE DIVERSION TO STOCK FEED

Mr. David MacDonald (Egmont): I rise on a point of order, Mr. Speaker. On Friday last the President of the Privy Council as Acting Prime Minister undertook to provide specific answers to two or three urgent questions from me in respect of the disposal of potatoes in Prince Edward Island and New Brunswick. I wonder whether the President of the Privy Council has conveyed those questions to the minister and whether there will be any information forthcoming?

Business of the House

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I drew the matter to the attention of the Agricultural Stabilization Board. It is true that there are stocks of No. 1 Prince Edward Island potatoes in the hands of the board, but it is not feasible at the moment to consider disposing of these potatoes to feed stock or for any other purpose because the supply situation is not clear and it may be necessary later on to import potatoes. On the positive side, my hon. friend will be glad to know that the price of Prince Edward Island potatoes has increased significantly since March 1.

Mr. Speaker: Order, please. At this point we are prolonging the question period. This can be done only with the consent of the House. I am sure the hon. member will appreciate that this was a question rather than a point of order.

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BUSINESS OF THE HOUSE

POSSIBLE REFERENCE OF PETITION OF OLD CROW INDIANS TO STANDING COMMITTEE

Mr. Erik Nielsen (Yukon): Mr. Speaker, I rise on a point of order having to do with House business. Now that the Minister of Indian Affairs and Northern Development is back, I wonder whether the government House leader has yet had an opportunity to discuss with him the matter of the petition of the people of Old Crow, and has the minister come to the conclusion—

Mr. Speaker: Order, please. I am prepared to rule that this is not a point of order but a question. I believe this question was asked a few times last week. Again I suggest this is not a point of order but a question relating to the order of business of the House, which does not make it a point of order. However, if the President of the Privy Council or someone on his behalf wishes to reply to the hon. member's question, I have no objection.

Hon. Allan J. MacEachen (President of the Privy Council): I have not had a chance to speak to the minister this morning. I will do so today and give a definite answer tomorrow.

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WAYS AND MEANS

DESIGNATION OF ORDER OF THE DAY TO DEBATE WAYS AND MEANS MOTION

Hon. John N. Turner (Minister of Finance): On a point of order, Mr. Speaker, I wonder whether it might be the disposition of the House to revert to motions by unanimous consent in order that I might make a motion pursuant to Standing Order 60?

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

Mr. Turner (Ottawa-Carleton): Pursuant to Standing Order 60, I request you to designate an order of the day for consideration tomorrow of the notice of ways and means which I tabled on February 22.

[Mr. MacDonald (Egmont).]

• (1510)

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED FAILURE OF THE GOVERNMENT TO CO-OPERATE WITH PROVINCIAL AND MUNICIPAL GOVERNMENTS IN DEALING WITH URBAN PROBLEMS

Hon. Robert L. Stanfield (Leader of the Opposition) moved:

That this House, alarmed at this government's inability to deal with the accumulating problems of urbanization in Canada, declares that a federal government must co-operate in good faith with provincial and municipal governments in planning and in implementing policies on revenue sharing, inter-urban transportation, housing, urban poverty, pollution and rural depopulation.

He said: Mr. Speaker, in presenting this resolution and in speaking to it I wish to emphasize particularly the problems of our urban communities, although I recognize that all municipal governments in Canada are having difficulty, whether they are urban municipalities or otherwise. But the brutal fact is that by 1980 it is believed that four out of five Canadians will be living in our large cities, and so far preparations have not been made for this nor are they being made today in an effective way to meet the problems arising within the next decade.

While these problems will deepen during the next ten years, they are already with us because in terms of transportation, housing, problems of pollution, recreation, and a decent physical environment, Canadian citizens are already facing an enormous challenge. Without any ability to control their own growth, the cities must nevertheless provide for the vast numbers of new arrivals from all over the country, and indeed from all over the world. They must deal with these vast numbers with their very limited powers, and having to rely in the main on financing largely from property tax as well as whatever help they can receive from the provinces, which is difficult in a number of cases. It may be said that under the constitution these are primarily provincial problems and that if the cities need help with their finances, that is a provincial problem. But both provincial and municipal governments are very hard pressed financially, particularly in view of the nature of their responsibilities and the growing cost of providing the services needed by the people of Canada.

In 1968, the then premier of the province of Ontario, the Hon. Mr. Robarts, summed this up rather neatly in the following statement:

The facts of life are that the federal government has the main access to the growth fields of taxation, such as personal and corporation income taxes. The provinces and the municipalities are boxed in by such slower growth taxes as retail sales taxes and in the case of municipalities, property taxes. At the same time, the provinces and the municipalities are the levels of government which are faced with the most rapidly expanding demand for services.

What the Hon. Mr. Robarts said in 1968 has become even clearer in 1972. The pressures on the provincial and municipal governments are even more severe now than they were in those days. Of course, one of the things that has added greatly to the financial pressures and the difficulties of our municipal governments—and I think this is particularly true of our larger urban governments—has been the vast growth in their welfare costs, the vast increase in the amounts they have to spend toward providing welfare for their residents as a result of the great increase in unemployment that has taken place during the last two or three years. This is directly attributable to the policies deliberately adopted by the present government. We have had massive unemployment, and as a result of this, a massive rise in welfare costs. It really does not help the municipalities any more than it helps anybody else for the Prime Minister (Mr. Trudeau) to go around talking about how many vacant jobs there are in the country.

Some hon. Members: Hear, hear!

Mr. Stanfield: So far as our municipalities are concerned, they have been confronted by this vast increase in welfare expenditures which they have had to make as the result of federal policies, and this has added tremendously to their difficulties in discharging their other responsibilities and carrying out plans to meet the needs of citizens in these large communities. So, to begin with, the federal government should certainly share a far larger proportion of this welfare load that the municipal governments are carrying as a result of the policies of the federal government. Over and above that, because the federal government has created this problem for the municipal governments and for cities, it should be even more active, even more energetic in trying to co-operate with the provinces and municipalities in reaching solutions to these urgent problems faced by our cities.

But going beyond the present situation, going beyond the present difficulties that the municipal governments and our cities face, there are serious and urgent matters that have to be considered. There has to be some sort of national urban strategy concerned with the environment in which the great majority of Canadians work, live and play, and in which an increasing number of Canadians are going to spend their lives. In saying this, Mr. Speaker, I recognize the existence of constitutional problems. I recognize the presence of the constitutional question and the fact that it cannot be just shunted aside. But I also maintain that the constitution cannot be used as an excuse for the federal government to ignore the urban problems, as it has largely tended to do up to this time.

I am saying that the federal government must involve itself in working out a national approach to some of these problems. I want to emphasize that the provinces must always be involved in these discussions, these consultations and these policies. I am not suggesting for a moment, and I would be very much against the government of Canada in Ottawa, or even this parliament imposing plans in this area on the provinces, simply laying down here by edict, by law—if this could be done constitutionally—some program that the provinces and the cities would have to accept whether they wished to or not.

I want to emphasize that this has to be a co-operative effort in which the federal government has a role to play, but in which the provinces as well as the cities must always be involved. When I talk about the need for a national strategy with regard to growing urban problems, I am certainly not suggesting that there should be some rigid national policies set down with which all the cities in the country have to comply. Again, even if that were constitutionally possible it would certainly be undesirable because each city in this country has its own individual profile of problems, of opportunities, and of goals. Each one has its own character resulting from the ethnic mix in that city, its industrial base, its geographic location, and all sorts of other characteristics of which we can all think. Every city has its special quality and there could be no rigid national policy that would fit the needs of all our cities, even if it were constitutionally possible to devise such a policy.

At the same time there are problems such as the tax base, such as relations between the federal government and the provinces with regard to municipal problems; there are problems involving research and co-ordination of research in relation to transportation matters. Indeed, there are many aspects of urban life that are common to all our cities. I have to say that the visible rate of progress toward effective co-operation between all three levels of government in fighting in some common way these urban problems is very disappointing.

The Canadian Federation of Mayors and Municipalities pointed out in its brief in 1970 that there is a growing inconsistency between the low constitutional status of the city and its actual role in the lives of the people. I quote briefly:

> Changes in Canadian social, economic and political organization, stimulated by the increasing demands of urbanization will soon, we believe, make new approaches to the fundamental questions of governmental organization and structure inevitable.

But we have to work with things as they are, for the time being at least. We have to work with the constitution as it now is. And regardless of what one may feel as to whether the cities are adequately recognized under our constitution, I certainly endorse the federation suggestion that municipal governments should be recognized as de facto partners in all discussions of their problems. Any attempt to ignore their existence and proceed without their participation would certainly be unrealistic. It would be virtually unthinkable.

I recognize that an approach has been made towards a process of tripartite involvement in urban affairs, involving federal, provincial and municipal governments. This has been going on for some years in such areas as housing, and I recognize that this approach has to be broadened so as to include some structure that would provide for discussion generally among the three levels of governments of urban and municipal problems. This kind of approach would seem to be the only sensible procedure to follow because all three levels of government have their contributions to make in finding solutions to urban problems.

There should not be any attempt by any higher level of government, and certainly not by the federal government, to take over. There is certainly no reason for confronta-

tion on this issue. After all we are dealing with the lives of millions and millions of Canadians. So, Mr. Speaker, I do not raise this subject to suggest that the government of Canada should dictate to others, should dictate to the provinces, should dictate to our cities and municipal governments. But in saying that, I do not mean to take away at all from my intense belief that the federal government must take initiatives in association with the provinces and with the municipal governments. I also believe that the federal government must broaden its interests. For example, if we think in terms of urban transportation posing a very acute problem in many of our cities, is there any particular reason, stemming from our traditions or constitutional considerations, why the federal interest in housing and in urban redevelopment should not be so interpreted as to include a consideration of and participation in the solution of transportation problems?

How can the federal government participate in a meaningful way in solving housing problems and urban redevelopment problems unless it is prepared to become involved in and help with problems of urban transportation? The federal government should be prepared to participate in studies of its own transportation policies to see how they have affected and are likely to affect the cities. This involves study of plane, train, and interprovincial bus services, as well as the federal involvement in roads. I believe the federal government should be prepared to involve itself on an urgent basis with the other two levels of government in consideration of inter and intra-urban transportation systems, and should also involve itself in commissioning and participating financially in research into these and related problems. It should be prepared to involve itself in the actual solution of these problems. How can the federal government do a meaningful job or involve itself in a meaningful way in the solution of the housing problem or the problem of urban redevelopment, unless it is prepared to get involved in the study of city transportation problems? I am again emphasizing the role of co-operation rather than the role of dictation or trying to lay down the law.

• (1520)

This kind of participation in meeting the problems of the city is all the more urgent, first of all, because of the extra burden that the federal government has imposed upon the municipalities as a result of the massive unemployment developed in the country and, second, because of the stand-pat position it has taken with regard to tax-sharing.

The tax-sharing agreement that will arise out of the proposed legislation before the House is really an extension of existing arrangements for tax sharing. There are changes in some details but by and large the tax-sharing arrangements proposed for the next five years are basically those that have been in effect for the past five years. In other words, the tax-sharing arrangements between the federal government and the provinces that are before the House indicate no recognition, and certainly are not based upon any recognition, of the growing needs and expenditures in the areas of provincial and municipal responsibility, especially in the large urban areas.

I remind the House again of the studies conducted some years ago by federal and provincial officials working together. They forecast the growth in municipal and provincial expenditures in relation to the growth in the responsibility to the federal government. The federal government authorized this study but paid no attention to it. Now, we are again in the position where the government of Canada has chosen not to recognize the growing responsibilities of the provinces and cities in bringing forward a tax-sharing arrangement. Indeed, the only tangible thing the federal government has done in this area is increase the amount spent on welfare. The growing welfare burden and the general tendency of provincial and municipal responsibilities to grow more rapidly in costs, make it all the more necessary that we have active and meaningful federal participation in meeting the urban challenge in this country.

I think there was some optimism early in the year in this general area of co-operation involving municipal government and relating to municipal and urban problems. There was the Winnipeg conference in the month of April and following that a period of optimism. This optimism seemed to fade following the August meeting of the minister responsible in the federal government, the then minister of State for urban affairs, with the provincial ministers of municipal affairs and the joint municipal committee, and in the meeting in August involving the three levels of government. This was followed by a feeling of very considerable disappointment. The progress toward common policies in this area and the progress toward working together in some effective way is not noticeable. I hope the minister will be able to persuade me that I am wrong, and that much is going on in this area of which that neither I nor the country generally is aware. I must say to the minister, through you, Mr. Speaker, that visible progress toward achieving common policies and some effective involvement in a co-operative way is not obvious to the naked eye.

I repeat, Mr. Speaker, I am not looking for this government or any government—in fact I would be opposed to this government or any government—trying to apply an urban strategy across the board. I do not ask for that and I would be opposed to it, but we do need a national approach to urban problems which would include flexibility and adaptability. I assume that the federal government has a national responsibility in this matter. This does not mean that it can or should try to solve the problems by itself. I am convinced that the federal government can co-operate, can provide the co-ordinating framework for the cities and provinces alike. It does not have to impose itself on anyone and it should not impose itself on anyone. Events themselves are imposing the need for co-operation on all three levels of government. I do not think any of the three levels will come out of this new process of consultation exactly as it went in. I do not deny that jurisdictional disputes may arise from time to time, but that is not the point. The point is that we do not have the right to refuse to embark upon this process and should do so very quickly. We are not merely dealing with structures here, although we need an appropriate structure; we are dealing with the future of the people and we cannot allow ourselves to forget this.

It is not enough for the federal government to appoint a minister of state for urban affairs and then let matters drift, leaving the cities and municipal governments to sink

or swim in a sea of welfare costs. We need effective leadership from the federal government in this area and I say to the minister responsible that we do not seem to be getting it. I hope he can persuade us this afternoon that we are getting it, but as matters stand now progress is lamentably slow. We have no reason to believe that the federal government is meeting the challenge of the urban problems of this country.

I call upon the minister today to tell us exactly where matters stand and how he proposes to involve the federal government in a co-operative way in a significant contribution toward solving the urban problems that are overwhelming the people who live in our cities.

In case I did not do so, Mr. Speaker, I move the motion.

Mr. David Lewis (York South): Mr. Speaker, the motion before the House deals with one of the most important and also the most difficult problems facing our people. I want to say immediately that I do not, nor I am sure does the Leader of the Official Opposition (Mr. Stanfield), blame any one person or indeed any one level of government for the immensely difficult situation in which our country finds itself. I certainly cannot undertake to go into the situation in a way that would satisfy me or anyone else in the 20 minutes available to me, but I want to make some general observations and some specific suggestions which will be followed by more specific suggestions made by my colleagues who will follow me.

The first problem that faces us is the constitution and the federal government's involvement in the urban problems facing this country. My first point, Mr. Speaker, is that urban problems are no longer local. Since 70 per cent of our people now live in urban centres, and in a few years 80 per cent or more of our people will live in such centres, urban problems are national in nature; they are no longer local and must be treated as being national in nature. Therefore, the federal role in this area is an absolutely essential factor, precisely for that reason. Furthermore, Mr. Speaker, federal policies affect our urban problems in the same way as they affect all our other problems. As has already been said, economic policies which create massive unemployment add not only to the welfare rolls of the city, but add also to the problems associated with other aspects of urban life.

• (1530)

There are men and women who are anxious to work, despite what the Prime Minister (Mr. Trudeau) has callously said from time to time. Well over 90 per cent—maybe 95 per cent or maybe 98 per cent—of those who are out of work want to work, and want work now. The Prime Minister has been guilty of a most reprehensive catering to the backlash of the hardhats of this country by trying to suggest, for reasons I cannot understand, that the problem of unemployment is not a serious one. He indicated, for example, that there were 10,000 vacant jobs in Montreal a few months ago. At least, that is what he said; yet his own manpower survey shows that in the last quarter of 1971 there were only 7,400 jobs available in the whole of Quebec. Why the Prime Minister said that I do not know.

As I said, economic policies which create massive unemployment not only add to the welfare rolls of urban governments but also, unfortunately, add to our problems of delinquency, family welfare, family disruption and bring about all those other effects of idleness and humiliation that unemployment produces. That is why I am so angry about the callous way in which the Prime Minister has dealt with this problem, for he has been refusing absolutely to recognize that in addition to considering the question of unemployment insurance benefits, we must consider the human problems involving idleness and degradation which flow from unemployment. It was shameful that the Prime Minister talked the way he did about the serious problem facing our people.

Some hon. Members: Hear, hear!

Mr. Lewis: That, Mr. Speaker, is the second reason the federal government is involved in this area. Its policies necessarily affect all aspects of urban life. Its third reason for that involvement is, obviously, that urban governments are incapable of dealing with their problems in this area, in view of the present financial structure of this country. Therefore, again, we must look to that level of government, the federal government, which has the capacity to generate funds for those activities and works which must be carried on by the municipalities as well as by the federal and provincial governments.

I repeat what has already been said. Appointing a minister without portfolio responsible for urban affairs was a useful but small step to take. And, despite the charming side of the present minister, the establishment of a new ministry will be a small step and, indeed, of no value at all unless that ministry has the imagination and determination to evolve entirely new avenues on which the federal government can play its role and retain participation in the development of useful urban policies. Therefore, the first point I make, Mr. Speaker, is that urban governments in this country, in some way—perhaps at the local level, perhaps at the level of the Canadian organization, perhaps at the level of the provincial or municipal organization, I am not particularly concerned how this is done—must be given the opportunity of direct participation in discussions and plans affecting urban life. That, as has been suggested, does not mean that the federal government must emphasize its view and impose its will on the urban level of government; rather, the federal government must have a direct part to play in this matter.

I do not believe, Mr. Speaker, that we need constitutional change for that purpose. The government hid behind the constitution for years before it summoned up enough nerve to appoint a minister responsible for urban affairs. The government has carefully indicated that that department is not an operational department but merely a coordinating department. We shall have to see if there is any difference between the meanings of these terms. I say that even under our present systen, we can set up the necessary structure and machinery to involve local governments directly in the over-all planning and budgeting for the crucial needs of our urban communities. So far, we have failed to evolve such machinery. I hope the minister will indicate any steps in that direction that may be taken.

I am not talking about an occasional conference, about an occasional meeting or about an occasional response to some demand by the Federation of Mayors and

Municipalities. I am talking about a permanent structure and permanent machinery, with regular consultations and regular meetings. To me, the gap between the urban needs of this country and our failure to evolve such machinery is a major gap which must be overcome if urban problems are to receive priority in our national objectives, a priority which they demand and deserve. Our urban problems, Mr. Speaker, have become so large, so overwhelming, as to be almost unmanageable, largely because of the dreadful delays in launching our concerted attack on them. I plead with the government to end these delays. Let there be no more dragging of feet on the part of the federal government, on the part of provincial or municipal levels of government, or, indeed, on the part of the citizenry of Canada as a whole.

We have talked a great deal about urban matters and about the quality of life in our cities. That subject competes with motherhood as the subject of speeches made by people at all levels of politics. Actually, though, the steps we have taken so far are miniscule in relation to the size of the problem that faces us. I appeal to the minister and to the government to start marching wilfully and in a planned way to the goal of engaging the people and municipalities of Canada in steps that will solve this problem.

The first point to be considered is the question of funds. The first problem that municipalities now have to deal with is the massive difficulties involving the problem of the availability of funds. All who live in the larger urban centres, as I do and as the minister does—I represent a Toronto constituency and the minister represents a Vancouver constituency—know about the problems that the people in urban centres experience. I am referring to the congestion, overcrowding, snarling traffic jams, deterioration of the city core, sprawling "planlessness" of the suburbs, shortage of housing, squalor of slums and rundown neighbourhoods, lack of playgrounds and parks, difficulties associated with urban transportation, dreadful pollution of the air and waters surrounding our municipalities, high cost of and greedy speculation in land, heavy cost of servicing land, and the ever increasing costs of education and welfare. These problems have evolved in the last number of decades and were not foreseen in 1867, for then the people looked at a municipal government as a little, local outfit that would have to do some minor things in society. Today, municipal governments have to deal with the major problems facing the overwhelming majority of the people of this country. Those problems require funds for their settlement. Indeed, even if we are to begin settling those problems, we will require massive funds for that purpose.

Municipal costs have risen steadily. They have risen not only absolutely but, as well, in the size of the proportion which they bear to total government expenditures and gross national product.

Let me illustrate with some figures, the latest I was able to get. In 1958, for example, municipal expenditures were 23 per cent of all government expenditures. By 1968, ten years later, they had risen to 27 per cent, an increase of between 15 and 16 per cent. In 1960, municipal expenditures were 7 per cent of the gross national product. In 1970, 10 years later, they were 9.1 per cent of the gross national product, again an increase of some 30 per cent in the proportion of the gross national product used up by the municipalities. Therefore, there is the problem of cost that the municipalities cannot meet. What is even worse, the municipalities are forced to meet these costs largely from property taxes, the most regressive form of tax in our society.

• (1540)

Property tax falls heavily on the low income group, older citizens who have managed to acquire a home during a lifetime of work, young married couples who undertake to build or buy a home, as well as those who rent accommodation because invariably the landlord passes this on to the tenants through increased rents. The property tax is the worst possible and most regressive form of tax in our society. It has another disadvantage which in any discussion of the problem which the motion raises ought to be mentioned. Another disadvantage of the property tax is that it has disastrous consequences in that it distorts the objectives of our cities. Assessment becomes the major concern of municipal councils. They change plans and rezone land in their competition for industrial, commercial and other development.

In my experience, I have never known of a municipality or a planning board which started with great social objectives of building a decent city or environment which did not in the end become distorted or destroyed by the assessment demands of the property tax. The municipal council feels it has to cut corners and change plans in zoning bylaws for the purpose of getting more assessment and money. That destroys the capacity of a municipality, even if the will is there, the plan property for the quality of life for those Canadians who live in the large centres of this country.

I do not have time to develop my first point other than to just state it. There has to be a complete review of the tax base of the municipalities in Canada. This is where the federal government and the provincial governments come into the picture. We ought to give consideration to a system of unconditional grants based on some established, recognized and agreed-on formula or extend the tax base for municipalities to include some income tax or some form of other tax, or a combination of these and all other taxes. In some way, the municipalities have to be given the finances to meet their problems and carry on with their plans without constantly being frustrated and diverted by the demands for taxes and, therefore, the demands of the developers which, as I said, distorts the objectives of these municipalities.

The other point I want to make in this general introduction is that our talk about pollution will have very little meaning unless we take into account the municipal situation. Much of the pollution of Canada's waters occurs as the result of inadequate purification and recycling plants in this country. There are very few urban centres in this country that have adequate purification plants. We are talking through out hats and not being honest, in fact we are being hypocritical—and I am not pointing my finger at any one party or spokesman—when we talk about pollution and do not recognize that a major amount of the pollution of our waters as well as our air results from the failure to build the necessary purification, sanitation,

recycling and other plants in every urban community and, indeed, rural community where necessary. Until we are willing to make funds available for that, we will continue polluting the air and water in this country without taking any meaningful steps to clear up the situation. That is another area in which the federal government is directly involved.

There should be a massive program of municipal works dealing with the garbage and refuse that is created in our urban centres, large and small. That massive program cannot be carried on without major participation by the federal government. That is the kind of thing I have in mind. This kind of program would have the added advantage of setting Canada on the road to a program that would meet social needs, improve the quality of life and, at the same time, create jobs for every employable Canadian for decades to come.

I think I only have a minute or two remaining. I just want to say I am disappointed that studies in the hands of the minister have not been made public. I do not know why the minister is hiding them. I think that discussion in Canada needs the publication of these studies. Either those studies include matters which the minister is afraid to make public or there is some other reason for his failure to do so. I hope that is not the case.

Mr. Francis: Some good ones have been released.

Mr. Lewis: Some have, but I am informed there has been a study on urban assistance by Professor Glen Milne who, I am informed, now works in the Privy Council office. I hope he is not there merely to prepare an election program at public expense, but to work on some kind of program to assist urban governments and the financing of urban governments. I am also informed that a study was made by Professor Michael Dennis which includes a great deal of information which we need today. This lack of information for parliament and the country is inexplicable on any ground, other than an attitude toward secrecy and hiding things which, in this particular area even more than other areas, is unforgivable. Therefore, I call on the minister to publish these studies without delay. They have been prepared by academics who have gone into problems that concern this parliament and the people of Canada.

As I said at the beginning of my remarks, we are dealing with a motion that covers some of the major problems facing Canada and the quality of life of Canadians in the urban centres. This parliament, and this or any other government, will not fulfil its obligation as legislators unless a great deal more is done in this field and until the municipalities become involved in planning the priorities we can set before the Canadian public. Until we deal with these matters seriously, we will talk about a just society, grand society or whatever you like, without any honesty as far as the people of Canada are concerned.

Some hon. Members: Hear, hear!

• (1550)

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I would like to make a few comments on the motion now before us whereby this House blames the government for not having taken the necessary steps to ensure greater co-operation between the federal, provincial and municipal governments. This motion says among other things, and I quote:

—that a federal government must cooperate in good faith with provincial and municipal governments in planning and in implementing policies on revenue sharing—

All this phraseology is fine, and for years now we have been discussing in Canada this problem of revenue sharing, in order to enable the various governments to take care of their own responsibilities.

When I was 20 or 25 years old, I took part in the celebration of the 25th anniversary of the election of the provincial member for Lotbinière, who was a member of the Taschereau cabinet.

At that time I did not know much about constitutional matters, but I was struck by the remarks of the late notary Verville, who was then the hon. member for Lotbinière and who said: "How nice it is to live in Canada under the maple trees." But those were in fact pine trees and they are still there.

On that occasion I heard the rather strong speech made against the central authority by the Premier of Quebec, Mr. Taschereau. He said, the East is paying for the West. That was in 1935, when it was said that old age security pensions were paid for by the taxpayers of Quebec for the benefit of older citizens in the West.

I can also remember the Right Hon. Ernest Lapointe, who was at that time the member for Quebec East and later Minister of Justice in the government of Mackenzie King, who had stated exactly the opposite on the same platform. I was so struck by this that from that moment, I tried to find out who was right. From that day, I followed with great attention all political events and all federal-provincial conferences and listened carefully to all arguments put forward pro and con, depending on whether they came from members or ministers in the provincial or federal administration.

The same minister who was being made much of at the time became, two years later, a member of the federal Parliament, representing the same region, the constituency of Lotbinière. At that time, his attitude changed.

It is my conviction that the experience acquired by these responsible men—whose sincerity I do not doubt—should allow us, in 1972, to reap the results of those years of debates of conferences at all levels and reach a conclusion establishing, once and for all, what are the real responsibilities of municipal, provincial, and federal governments, so that subsequently each level of government may avail tiself of the funds required to carry out its responsibilities.

I shall now quote from the text of the resolutions adopted in 1971 by the Canadian Federation of Mayors and Municipalities, as set forth in that organization's brief. That brief was presented to the Canadisn government on April 28, 1971, and I would like them to follow the suggestions made.

We talk about fighting pollution—and we have pollution indeed. Ths morning, as I was crossing the city of Montreal, they announced on the radio the degree of pollution

in the Montreal area. It was .13 degree, while according to the commentator the acceptable limit is .10 degree.

There are known means of fighting air pollution. If we are to succeed, governments will have to come to an agreement on their respective responsibilities, and each will have to have the money necessary to carry out those responsibilities in order to give the Canadian people a healthy atmosphere to live in and to ensure the health of the human race.

Unfortunately, we are always faced with the same problem: lack of money. People sometimes say: Those Créditistes are always talking about money; they can talk about nothing else.

• (1600)

Last week, I attended a meeting of students who talked about their lack of money to pursue their studies. They have to fight to get scholarships. They are speaking of money when they speak about scholarships.

And here, in parliament, what do we talk about the year round? We talk of money. Whether we are discussing taxes, tax reform, the Opportunities for Youth program or the Local Initiatives Program we are talking about money. Everybody is talking about money. Why? Because money is the name of the game and also the economic blood of the nation.

We, the Créditistes, are also talking about money. We are suggesting a reform so as to see the day when this means of exchange will be truly the servant of the federal, provincial and municipal governments instead of being their master.

If we are wrong, this means that the government is right and if it is right let it prove it so that we can at last see the just society. The Minister of Finance (Mr. Turner) is smiling but I am convinced he agrees with me. It is possible to set up a just society in Canada even though our Prime Minister (Mr. Trudeau) stated, not so long ago, that no government would succeed because Canadians are mortal and imperfect.

Mr. Speaker, these same men were also mortal and imperfect in 1968 when the Liberal party introduced its program for a just society. At that time, they sincerely believed in this or they were cheating the population. If they sincerely believed in it then, they should keep on believing in it today and work for the true establishment of a just society.

In spite of our differences of opinion in this House I think all hon. members want to work with sincerity toward obtaining the highest degree of justice in this country. It is imperative for society to allow not only three Canadians out of five but each and everyone of them to enjoy security and justice in our free country. Why? Because it is possible in 1972.

I would like to refer to the recommendations of the Canadian Federation of Mayors and Municipalities and quote from their brief submitted to the government. They said:

WHEREAS urban development programs require increasingly larger investments—

[Mr. Lambert (Bellechasse).]

They too talk about money. They are not asking themselves if anything needs to be done materially because they know the need is there, and they talk about financial possibilities. And it goes on:

—specially in urban transportation, including the acquisition of land for the rights of way, housing, the fight against pollution, water supplies, recreational facilities, industrial parks and others;

WHEREAS it is in the national interest to give high priority to several programs affecting the standard of life in our communities and the effectiveness of our regional economies;

WHEREAS it is not in the national interest for our municipal governments to be forced into competition with federal and provincial governments as well as private corporations on the capital market;

WHEREAS the long experience of municipalities and higher government sin Western Europe proves the value of institutions specialized in municipal credit, not only through granting adequate priority to their needs for urban development and favourable credit terms and conditions, but also by adopting modern methods of long term planning and debt financing in line with a sound intergovernmental tax system;

I agree with those "whereas" of the resolution, which is very sensible, and I do believe that in the mind of the hon. leader of the official opposition (Mr. Stanfield) his motion agrees with them as well. As General de Gaulle would say, you have to get to the bottom of things. Even if that great general had left us only that sentence after his 75 years with us, his heritage would still be invaluable. Why? Because, regardless of one's field of administrative responsibilities one must always get to the bottom of things, objectively, in all sincerity.

The mayors wanted to get to the bottom of the matter and asked in their brief that as much attention be given to under-developed Canadian municipalities as to under-developed African or Asian countries. The conclusion is as follows:

We also ask how the federal government can grant interest-free loans to under-developed countries, while refusing the same privileges to such a great number of under-developed municipalities in Canada.

Mr. Speaker, since time goes quickly, I would like to show the veracity of the brief and prove that the mayors were right. I have here several letters from various mayors. Are they old letters? No, they are dated February 28, March 5, 4, 6 and 9. They are quite recent letters dealing with what matter?

You will recall that on October 14, 1971, the Minister of Finance (Mr. Benson) announced a program to fight unemployment in Canada, in order to enable municipalities to undertake works which had been delayed due to the lack of funds and construct water or sewage systems, arenas or other buildings needed in their community for a long time.

As the member for Bellechasse, I had faith in the local initiatives program and I co-operated with the government. The facts are there to prove it. I took the trouble of contacting all responsible public officials without any political consideration, because I feel that there is a period to fight and assert one's views and it is the electoral campaign. It is followed by a much longer administrative period during which we must all co-operate to achieve something, whatever may be the government in power. And if that government makes mistakes our task is to say so quite honestly. If the role of the opposition in parlia-

ment is not accepted it is urgent to change the constitution. If we accept the job of the opposition members, account must be taken of the fair claims which can be made for those we represent, and let the government accept our co-operation when it concerns serious reforms.

Unfortunately I was unable to discover the criteria used by bureaucrats for approving local initiatives programs. Those who submitted projects received a letter saying: Your submission was very meaningful. However, we regret our inability to assist you. Had they at least been told very sincerely: Your project was meaningful but it was not approved due to lack of funds, of available credits, that would have been true, and those people would not have been disappointed about having worked two or three weeks preparing a project, hiring an engineer or an architect and ending up with what? The same situation as before October 14, a situation—

The Acting Speaker (Mr. Laniel): Order. I greatly regret having to interrupt the hon. member for Bellechasse, but I must point out to him that his time has now expired.

Unless there is unanimous consent of the House, the hon. member will not be able to continue his remarks. Does the House agree to the hon. member going on with his remarks?

Some hon. Members: Agreed.

Mr. Lambert (Bellechasse): Mr. Speaker, I want to thank my colleagues in this House for their generosity. I know this generosity is motivated by the merits of my remarks. At any rate, I heartily thank them and I shall try to be brief.

One of the reasons for my question to the Minister of Finance (Mr. Turner) today is that on December 8, 1971, the hon. Minister of Manpower and Immigration (Mr. Lang) made a statement in the House to the effect that he was altering the criteria for application of the program announced on October 14 in order to make it available to municipalities.

Before that, I had met the parliamentary secretary to the minister and told him: "It is not possible for small rural municipalities to benefit by this program because 30 man-months is a disproportionate requirement. So, when the government—"

The Acting Speaker (Mr. Laniel): Order. The Chair is not seeking to limit the hon. member's remarks but earlier, and precisely when his time was about to expire, the Chair was wondering how the hon. member's remarks, in connection with a specific program, were related to the motion under study.

I understand that the motion deals with urban poverty. Of course, the hon. member can always allude to specific programs but I am precisely wondering whether the Chair may allow him to proceed with his speech for such a prolonged period of time on a precise program and to elaborate as he has been doing until now. This is why I would invite him not to refrain from expressing his opinion on this program but to limit his remarks and to deal with the motion now before the House.

• (1610)

Mr. Lambert (Bellechasse): Thank you, Mr. Speaker. I am going to abide by your ruling. However, I think that the comments I intended to make were related to the motion now before us and I believe that the Chair as well as my hon. colleagues will agree that they have received with great satisfaction the statement made last December 8 by the former Minister of Manpower and Immigration to the effect that the criteria of the program had been changed to enable small communities to take advantage of it. It was reduced from 30 man-months to 15 man-months of work. Some municipalities have therefore benefited from the program, but one and a half month had been already lost since they could not have foreseen, on November 1st, that they could benefit from the program in view of the established criteria.

I remember that I had replied in this House to the statement made by the hon. Minister of Manpower and Immigration to say that I was glad of this improvement. But since it was evident, according to the minister that, and I quote:

—it is now apparent that more applications which meet the basic criteria will be received than can be approved within available funds.

—I said, as appears at page 10253 of *Hansard*, that I deplored certain man made actions and the fact that people who were prepared to pool their efforts in order to fulfill a need of the community could not do it. I predicted also at that time that owing to the amendments introduced to the criteria applicable to municipalities, a greater number of projects could readily be submitted. So, when I see, for instance, that $15,000 are granted to an association called the Community Hemophile Association of Toronto, to assist in the operation of its centre as a refuge for hemophiles who have adjustment problems, I do not object, but when $10,000 or $8,000 are denied to municipalities to establish a community centre from which they will benefit I protest, because in my opinion it is normal to accept programs of this nature when they are proposed in good faith by voluntary administrators in municipalities who are dedicated to the task of trying to secure some well-being in their community.

If extra money is voted, I hope that these communities will be able to start and complete their projects. I am satisfied that by this means the government will help reduce the impact of unemployment in underdeveloped areas, in the areas where the people suffer greatly from the lack of employment, from a lack in income and to enable all family heads to meet their obligations.

May I repeat this once more for the minister. Extra money simply must be given to the Minister of Manpower and Immigration in order that he may give a favourable reply to the requests that were presented, not before February 20, but before January 20. The deadline was January 31, so it cannot be said that they were received too late.

I hope that this motion and this debate will bring about concrete realizations and that at least we will be pleased to hear that the federal government and the Minister of Manpower and Immigration (Mr. Mackasey) will be able

to direct their officials to re-examine all these serious projects that have been proposed so that they be accepted in order to distribute some of the wealth we have in Canada and in order to promote further in this way the establishment of the just society, something which we can do in Canada although our people are imperfect and mortal.

[*English*]

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, I have listened to the three interventions so far with a great deal of interest, particularly the energetic presentation of the hon. member for Bellechasse (Mr. Lambert). I say to him first that the Minister of Manpower and Immigration (Mr. Mackasey) will, I am sure, note his remarks about the Local Initiatives Program. In so far as he spoke about cost-sharing with other levels of government, and in so far as the leaders of the other parties spoke on that subject, they will note that the Minister of Finance (Mr. Turner) has been in the House listening to their remarks. No doubt, he will want to deal with that issue on a future appropriate occasion.

If I may, I should like to deal with the resolution which is before us and with the remarks that have already been made. I wish to assure hon. members that for the balance of the debate today I will listen to the suggestions and comments made with a great deal of interest. I want first to express my gratitude to the Leader of the Opposition (Mr. Stanfield) for moving this motion. I hope it does not have the same result as that which occurred the last time his party moved a motion related to a former department of mine. They once moved a motion about consumer affairs which so divided the Conservative party that they never again, during the three years I was minister, moved a similar motion related to consumer affairs. The Conservatives did not seem to be able to agree as to what their position should be in respect of consumer affairs. I hope they will be more in agreement in respect of urban policy.

• (1620)

As I say, I want to thank the Leader of the Opposition for his kindness today in moving the motion that he has because it is a kindness to this government when he asks us to co-operate in good faith with the provinces and municipalities on urban matters. That is preaching to the converted, if I ever heard it. The Leader of the Opposition read us a lesson which indicated that we ought to be doing precisely what we have been doing for some time, what we are doing and what we shall continue to do. It was this government that initiated, and has expressed up and down the country, the concept that urban problems and urban opportunities, so pressing, so accelerating and so far-reaching in their effect on Canada, require co-operative mechanisms and approaches from the government. It was this government that sought to persuade others to develop new mechanisms and approaches so that governments at all levels could impose shape and direction on the growth of urban Canada.

All those things that the Leader of the Opposition mentioned are precisely the reasons this government has a Ministry of State for Urban Affairs. This is what my ministry has been seeking to do, amidst some clucking of hesitancy from some Conservative elements in the country. Such co-operation is what the provincial premiers agreed to support at the first ministers conference in Ottawa last November. The motion that is before us today is, in fact, a lesson for which this government provided the Bible, as it were, in the first comprehensive study of urban conditions in Canada, a study that was published by this government entitled "Urban Canada". It was that study that provided the Bible from which the Leader of the Opposition took his text today. That study analysed the current problems and predicted the deterioration in our life, as well as the worsening and greater inequality of social conditions if trends in urban life do not change.

This government understood those prospects and formed the ministry under my predecessor. It was established, plainly recognizing and accepting two key facts; first, the Canadian fact of life, which is offered not as an excuse but as a fact of life, that municipalities are the creatures of the provinces for jurisdictional purposes, and second, that no one level of government could possibly begin to tackle urban problems in the comprehensive way that is required. These problems required the comprehensive and co-ordinated action of all three levels of government. Accordingly, my ministry's mandate states that it shall foster co-operative relations in urban affairs with the provinces and, through them, their municipalities, and with the public and with private organizations.

Our mandate is:

> to co-ordinate the activities of the government of Canada in establishing co-operative relationships with the provinces and their municipalities for the enhancement of the human environment.

Co-operation and co-ordination with provinces and municipalities is precisely the purpose and the mandate of this ministry. Our mandate is broader than this, requiring us to evaluate existing and proposed policies, projects and activities, to initiate proposals for new policies and to seek, in consultation with other authorities concerned, the co-operative development of an urban policy in Canada. This ministry is instructed to initiate research and policy studies relating to urbanization and is to co-ordinate urban related research within the government of Canada.

It is a wide-ranging mandate that recognizes the crucial importance of co-ordination and co-operation within all levels of government. I quote that mandate because it was alarming to me that the Leader of the Opposition or his research staff, in what I take was a major presentation on urban policy, seemed unaware of what our mandate was and that we have within the government an instrument to do precisely what he was requesting.

I would have enjoyed hearing from the Leader of the Opposition constructive suggestions on how I could fulfil that mandate in an effective way. If he has criticisms of what is being performed, I would have liked to have heard them. But the Leader of the Opposition and his research staff seem unaware of the fact that such a mandate exists. Flowing from this mandate, there have been important initiatives and important new programs. There has been an important shift in attitudes both inside and outside the government. People are beginning to take into much greater account the urban impact on specific problems in transportation, taxation, welfare, environment, housing and so forth. The opposition motion sets out such factors as if they were separate issues to be dealt with separately.

What the motion should do is to appreciate that such problems are a part of each other and are interrelated. For instance, what one does in transportation has an immense impact on job patterns, on housing, on requirements for schools and sewers and much else that goes far beyond transportation's immediate aim of moving people and goods from place to place. I would have hoped that the Conservative motion would have recognized the essential interdependence between these various policies that must be carried out.

Similarly intertwined are those things that governments do in urban Canada, including revenue sharing, social security, immigration, creation of jobs, industrial strategy, and so on. This fact should have been reflected with perception in the motion which attempts to understand, as the opposition alleges, the accumulating problems of urbanization in Canada. We should have heard something positive from them about how such complexities can be studied, debated and acted upon by different levels of government in productive concert. That is the path upon which the government has embarked with some success, and it is to that aspect that the Opposition should be addressing itself today. The motion that is before us today affords us at least the opportunity to report just what is happening, and the Leader of the Opposition has asked for such a report. That is why, as I said, he has done me a real kindness in putting forward the motion today.

It has been the conviction of the government that we in Canada are at an urban crossroads. We know that there are serious social, economic, environmental, cultural and political questions about Canada's urban future, and some have been touched upon today. We also have, and let us grasp this important fact, more bright and more easily realizable opportunities than almost any other highly developed industrial nation. Canada's major problems of poverty, housing, transportation, environment and social equity are in fact her opportunities to create a society of special excellence in the northern part of North America. These problems and opportunities are rooted in the intensifying process of urbanization. As I have said, they are characterized by a high degree of interdependence. They are influenced by a wide range of government policies and programs at all levels of activity. If we are to accomplish our goal, there must be unprecedented co-operation and co-ordination in planning and action between all levels, or the high quality of urban life we have now will become unstuck, and that will create divisions in this country that could sunder it.

The great excitement that I find in travelling through cities in Canada is that people in those cities see other cities in North America and in Europe, many of which are huge urban areas, that have become quite unpleasant areas in which people have to live. The excitement that I find results from the realization that Canadian cities are at the threshhold and so have an opportunity not to go down that path of building huge megalopolises that are unpleasant and unrewarding places in which to live. We have a choice to take another route and to build the kind of urban centres in Canada that we want to build. That is the excitement which I see reflected in the planners, builders and politicians across the country whom I meet.

• (1630)

I say this because I want to make a plea for co-operation at all levels. Anyone who is at all familiar with Canadian urbanization trends appreciates that intergovernmental consultation and co-operation are no longer discretionary. They are mandatory. We face a very rapid rate of urban growth. Most of our principal cities could double their populations, and our biggest cities could triple their populations, over the next three decades. These decades will require the development of more urban area than has been developed in the entire history of the country—more houses, bridges, and roads, more schools and cultural centres, more sewer and water facilities, more of almost everything that makes an urban community. This growth will be guided and shaped by policies and programs within the jurisdiction of and administered by the three levels of government. If this growth is to result in the high quality urban environment that we all desire, and that we can have, not only governments but also other public and private institutions will have to put their heads together as never before, and work co-operatively together as never before.

This government has not needed to be told that there are real problems, national in scope and transcending all political jurisdictions. That is why my predecessor, even before this ministry was formed, began talking about the need for a special study of these problems and for new tools to plan and implement public urban policy. That is why he began seeking national urban planning consultations which would, for the first time, bring the municipalities to the table. That was, and still is, a federal government initiative.

The motion before us refers to co-operation with municipal as well as provincial governments. But the trilevel consultations sought by the government have met difficulties in some provinces which objected to any major consultative role for municipalities. The Leader of the Opposition touched on some of those difficulties. Federal-provincial-municipal talks, meant to lead to some sort of structures for consultation, have been held in Ottawa, Toronto, Winnipeg and Victoria. Finally, here in Ottawa last November, the premiers of the provinces agreed to support the principle of, and I quote:

—close co-operation between federal and provincial governments toward the effective co-ordination of their relevant policies and programs.

The first ministers at that meeting instructed that:

—on-going discussions to finalize the exact elements of the consultative mechanism go forward and be expedited.

That instruction, an initiative of the federal government, broke the impasse.

The on-going discussions referred to by the first ministers had been held between my predecessor, now the Minister of Consumer and Corporate Affairs (Mr. Andras), and the then Ontario minister of municipal affairs, Darcy McKeough, and Mayor Marcel D'Amour of Hull representing Canadian municipalities. Changes in portfolios delayed the resumption of those discussions.

The Leader of the Opposition asked what was going on, and I am happy to report to him and announce that those difficulties have now been overcome. There is to be a

meeting between Mr. McKeough for Ontario, myself for Canada, and Mayor D'Amour on April 10 at Mayor D'Amour's chambers in Hull. That will be a meeting of the committee of which Mr. McKeough was chairman and which was instructed to convene a trilevel conference, and to work towards such a convening. We are to work toward establishing a date and a specific agenda for the first national consultation. I said, Mr. Speaker, this is to be the first national consultation, and I certainly hope it will be the first of many. I hope that meeting will show a federal initiative realized. I hope that bodes well for the future of trilevel discussion, planning and co-operation in Canada. I give the Leader of the Opposition my assurance that I will be there at that meeting, endeavouring in every way I can to ensure that it is a success and that it is productive of results for the development of further consultative machinery and mechanisms.

Our effort toward co-operation goes well beyond trilevel national consultations. The ministry has been engaged from its first day in the development of structured co-ordinating links with separate provinces and, through them, with specific urban regions. These efforts are now starting to show progress, despite the difficulties inherent in such a process. Links have already been established, and specific bodies created for the urban regions of Vancouver and Montreal. These have already yielded practical results of short and long-term significance. Similar links are currently being created for the urban regions of Edmonton, Calgary, Winnipeg, Toronto, Quebec City and Halifax, in all cases with full provincial knowledge, support and involvement. I know that the Leader of the Opposition would wish me well in the creation of those links.

Through such continuing tripartite structures, the ministry is placing itself in a position of knowledge and competence to stimulate and co-ordinate federal in-puts into these urban regions, not on an ad hoc problem by problem basis, as the Leader of the Opposition would have us do, but rather in full awareness of the inter-relationships of urban issues, and within coherent urban frameworks agreed to by all concerned. The ministry has focussed on key agencies in its task of establishing links within the federal government to bring co-ordination and a specifically urban view to federal policies and programs. These include, for example, involvement in major federal works in cities, in disposal of urban located military bases, in decisions regarding the management of federal lands in cities, in investigations and policies regarding urban transportation alternatives in some urban areas.

There is, Mr. Speaker, the closest consultation and involvement with Central Mortgage and Housing Corporation in developing new and co-ordinated approaches in housing. This involvement with CMHC extends to plans for careful intergovernmental consultation on any new approaches that materialize, after they have been presented to parliament. I want to say a little more in a minute about federal housing programs that were mentioned in the Speech from the Throne.

I wish to mention some aspects of urban transportation, a subject which is referred to in the resolution. Of course, the outstanding example is the recent announcement by

both the federal government and the government of Ontario of the site northeast of Toronto for the region's new international airport. The choice of that site was made as a deliberate stimulus to planned urbanization. As the joint announcement of the governments of Canada and Ontario stated, it was made after an exhaustive federal-provincial evaluation of potential sites. The site was chosen for many reasons that are set out in the announcement, but a major one, and one mentioned in the joint announcement was, and I quote:

> —the location east of Toronto is the result of joint federal-provincial effort to provide a major stimulus to development east of metropolitan Toronto as called for in the Toronto-Centred Region Plan.

The government of Ontario has been redesigning the shape and location of some of the proposed communities in order to take the airport location into account. Moreover, Mr. Speaker, the airport can provide the stimulus and foundation for an entirely new community. The government of Ontario proposes to establish such a community, which is to be called Cedarwood. The development of this new town, as well as of many of the other principal features of the Toronto-Centred Region Plan, will require the concerted application of both provincial and federal policies and programs. This must be, to a very large extent, a co-operative venture. Both governments recognize this, Mr. Speaker. The Leader of the Opposition asked what co-operation is there, and I am citing this as a specific example of specific programs that have been co-ordinated.

In its second report on the Toronto-Centred Region Plan, the government of Ontario stated:

> We look forward to working very closely with the (newly established) Ministry (of State for Urban Affairs) in the formulation and implementation of many of our development policies.

May I assure you, Mr. Speaker, and the Leader of the Opposition that we are also looking forward to working very closely with Ontario in this area, and discussions to this end are now under way.

Another important part of the mandate of the Ministry of State for Urban Affairs is to conduct, support and co-ordinate urban research. We are well launched into that. We have begun to study the effects of a range of current government policies on cities and on urban regions. The ministry is now designing public program impact models, of both national and big city scale, that are heavily based on computer simulation. Groups are working on the social consequences of what exists now and what we could have in such areas as housing policy, transportation, government operations affecting urban land and development, new devices to affect the use and allocation of land, and others.

• (1640)

Another important role of the ministry is evaluating existing and future federal policies as they affect urban areas. Our priorities for policy studies include population distribution, urban concentration and growth, government finance and revenue sharing, transportation and communications, federal land management, the character of employment to be created in this decade to meet the massive growth in labour force that is occurring, the federal role in the problems of urban poverty, and others.

You may notice, Mr. Speaker, that our various studies and various initiatives in this area cover the separate items in the opposition motion. In our research effort and in our role of evaluating existing and future federal policies, I want to assure the leader of the New Democratic Party (Mr. Lewis) that we are not using research as an excuse for not doing anything but are acting already on the basis of information. In this kind of research and study, we are not seeking theoretical answers but practical solutions and implementation programs.

Having dealt with the ministry, may I now deal with the question raised by the Leader of the New Democratic Party, pollution. I should like to point out that the Department of the Environment has already brought in much legislation in this regard and through the agency which reports to me, Central Mortgage and Housing Corporation, the federal government has, with other governments, been deeply involved in pollution control by means of sewer treatment projects. The National Housing Act provides for federal loans to provinces and municipalities of two-thirds of the cost of sewage treatment facilities including a grant of one-sixth of the cost of each works. The municipalities are hard-pressed for finances, and we are all concerned about pollution. This year, we have made available more than $100 million to the municipalities for this purpose, with the provinces setting the priorities as to where the need is greatest. We have been spending increasingly more in recent years in this program, for a total to date of $500 million. The governments of Canada and Ontario have also entered into an agreement about cleaning up the lower Great Lakes, and the federal funds of $167 million will be provided through this sewer treatment program over the five-year period.

Mr. Speaker, last year and the year before we mounted colossal housing programs, programs amounting to $1.7 billion. It would be infantile to think that we could have done this without the close co-operation of other governments and the private sector. I wish to take this opportunity to thank the provinces and municipalities for this co-operation in serving Canadians. It is this kind of co-operation in good faith, pragmatic co-operation to get things done, that the urban affairs ministry, CMHC and the federal government will pursue and nurture. We believe we will continue to get this kind of co-operation from the provinces and municipalities, in many endeavours, in turn.

If I may give some statistics on the housing program that has been launched, I should like to put on the record the tangible result of the co-operation with the provinces and municipalities which I have already mentioned. In the year just passed, there were 233,000 housing units started and more than 200,000 completed. At the average occupancy rate, this is new housing in one year for more than three-quarters of a million Canadians. It is unthinkable that this could have occurred without the best co-operation between the federal government, the provinces, municipalities and the private sector. With that kind of record I will not accept a charge by the opposition that we have failed to co-operate with other important levels of government.

In 1971, the record year for housing in Canada, the federal government made available to the provinces $306 million for public housing. It is in this particular field that the provinces and municipalities play the greatest role. We provided $306 million for this co-operative effort for Canadians of low income in one year. In the years 1957 through 1963, the Tory government provided an average of $7.5 million a year for public housing, compared with $306 million by the Liberal party.

In 1964, the government of Mr. Pearson amended the National Housing Act to provide the provinces with an option of taking a loan from the federal government for public housing rather than the former system where the federal government had retained a 75 per cent interest. It was this amendment that paved the way for the great upsurge in the building of public housing, and which spurred the creation by the provinces of provincial housing corporations. It has been from the growth of these provincial housing organizations that the great thrust in housing in Canada has become a reality. That thrust, with the federal government the driving force, is assuring that the homebuilding record of 1971 is almost certain of being well surpassed in 1972.

With the provinces, we are co-operating in supporting non-profit organizations in housing the elderly and the handicapped. For two years with a newer thrust, that of home ownership for people of low and modest incomes, provinces have introduced complementary programs to help these home owners, with help ranging from capital grants to interest rebates. Therefore, Mr. Speaker, I think the mechanism of co-operation has existed in terms of building housing for Canadians. In the ministry we are developing a new mechanism of co-operation and co-ordination, not only on federal government policy but on federal, provincial and municipal policy.

I am grateful to the House, Mr. Speaker, because I think I have gone over my time. I have outlined the kind of programs and the co-operation and co-ordination which were developed and which I have no hesitation in saying will develop. In conclusion, may I say a few words about where that will lead us in terms of federal housing policy.

In the Speech from the Throne which began this session the government said that we will be proposing fresh concepts, continuing research and imagination in neighbourhood improvement, with emphasis on the need for low cost housing. We will be proposing, on the one hand, new financial mechanisms to improve the flow of funds for housing from the capital market. On the other hand, we will be proposing amendments to the National Housing Act to provide a broader range of projects for meeting the needs of low income persons and families and the improvement of urban neighbourhoods.

As a result of the steps that have been taken since 1964, such as the freeing of the National Housing Act, interest rates have increased the flow of funds from the capital market into housing to the extent that we expect the private lending institutions to finance 195,000 housing units in 1972. This funding by private lending institutions is in addition to what the government will do. This, together with the federal government's investment on behalf of low income families, will ensure that at least 240,000 housing units will be started in 1972. We believe that more can be done, particularly to improve the liquidity of mortgages held by such investors as Canada's pension funds,

the charter banks and the trust companies. It will be proposed, therefore, that a publicly-owned residential mortgage bank be created to buy and sell residential mortgages, and thus create the liquidity sought by some investors. Opportunities will be created for smaller investors to provide funds through new mortgage investment companies which will create—

The Acting Speaker (Mr. Laniel): Order, please.

Mr. Basford: Mr. Speaker, I have one more paragraph—

The Acting Speaker (Mr. Laniel): I regret having to interrupt the hon. minister, but I tried to allow him a half minute or so. I think the House is disposed to let him finish but I have to ask for consent. Is there consent for the minister to conclude his remarks?

Some hon. Members: Agreed.

Mr. Stanfield: I would be happy to have the minister finish his paragraph.

• (1650)

Mr. Basford: Mr. Speaker, I thank hon. members and the Leader of the Opposition (Mr. Stanfield) for allowing me to finish my submission. I was saying that, through this legislation, a new residential mortgage bank will be proposed to parliament. Through that instrument, opportunities will be created for smaller investors to provide funds through new mortgage investment companies which will create a new source of funds for residential investment and will also provide the opportunity for small investors to invest their funds at, or near, current mortgage rates.

The amendments to the National Housing Act that parliament will be asked to consider are intended to provide a wide range of assistance to improve the quality of urban neighbourhoods. We intend to provide a wide range of choices for meeting the needs of low income families and disadvantaged groups, wherever they are to be found in Canada. We will continue to offer the strongest support to the provinces for meeting their special needs, and the federal government will also exercise its own initiatives on behalf of low income people. In this co-operative way, we will meet the housing and many other urban needs of Canadians, working in concert with various jurisdictions to maintain and create an urban Canadian excellence.

I thank the Leader of the Opposition for moving his motion and giving me the opportunity to make a statement. I listened to his presentation with interest. I can assure hon. members that I and my officials will listen with great interest to any comments and suggestions that are made in the balance of the debate.

Mr. S. Perry Ryan (Spadina): Mr. Speaker, the minister expressed a desire to create in Canada an urban society of special excellence. I am sure that is what we all wish. May I point out to the minister, and to the House, that there is no situation of special excellence at the present time involving the core of Metropolitan Toronto.

First, let me allude to the CMHC plans for building a low dividend, 13-story $2 million apartment house complex in my riding known as Richmond Square. Thirteen floors were supposed to have been finished by last April.

Yet, there the structure is standing, stark and empty, a ghastly sight against the sky. The building has settled in part. The people refer to the 13 floors that dip down as the "Trudeau depression", and with good reason. This is a very poor job on the part of CMHC as well as the contractor. There is no special excellence in certain parts of my riding, where about 25 per cent of the employable people do not have work. They are existing on welfare and unemployment insurance, or using up their savings when they are too proud to apply for welfare.

I confess that the situation would be far worse if it were not for the Local Initiatives Program. I must give the government some marks here, because lots of people are employed on worth-while projects financed under the LIP program. All the same, some of these projects are the goofiest projects you ever heard of in your life. I wonder what the reason is behind giving a grant of up to $12,000 to an individual or group—I am not sure which—for opening a coffee house with the emphasis on creativity. Where does all this lead us—to "spiked" coffee? I really must thank the government for approving an inordinate number of LIP projects in my riding. Out of $23 million or so allowed for Ontario, $1 million worth in projects has been approved for Spadina. This is all very well, and I appreciate it very much. I do not know whether the government is trying to elect me or defeat me in the next election. I know, however, that it seems a little strange that over $277,000 of this money, almost one third of the total approved for my riding, is to go to projects based at Rochdale College. Mr. Speaker, the government must make greater endeavours to bring about special excellence in our urban society, and especially in the core of Metropolitan Toronto.

Of all problems accumulating in the urbanization of Canada, the problem of poverty is one of the most acute. In 1967 our metropolitan areas accounted for more than one third of Canada's poor families and for more than one half of individuals living below the poverty line established by the Economic Council of Canada. A 1965 study by the Canadian Welfare Council gave equally startling and depressing accounts of the high incidence of urban poverty in Canada. The median per capita income of surveyed poor families was less than $400 in St. John's and Montreal, $500 in Toronto and $600 in Vancouver. Mr. Speaker, it takes a great deal more to live in downtown Toronto than in a village like Omemee near Peterborough. Poverty is not a problem merely of an insufficient income. It is a problem of inferior health, inadequate housing, low education and involves many other difficulties. There is no doubt that the urban poor face these difficulties to an almost intolerable degree.

The National Welfare Council's urban policy study found that 26 per cent of such families had no male head; in 43 per cent of such households there was a chronic physical problem in the family. The study also found that 70 per cent of the males and females involved had less than a grade 8 education; 46 per cent were unemployed for a period greater than ten weeks and their housing was judged to be unfit or bad, being in the lowest of possible categories in almost half of all the cases reviewed. The need for aggressive government policies to cope with this problem of urban poverty is very great. The need is immediate, Mr. Speaker, for the problem is a growing one.

The Lithwick report on urban poverty released last year warned that urban areas were increasing their relative share of Canada's poor population.

I contend that, despite the demonstrated need for a concerted federal effort to cope with poverty and, particularly, urban poverty, the Trudeau government's philosophy and policy in relation to the problem has been chaotic and inconsistent, as several examples will easily demonstrate. Last March the Lithwick report slapped the Trudeau government on the knuckles for its mistaken approach to the problem of aiding the urban poor. According to the Lithwick report, the majority of urban poor are unemployables who are not helped by manpower policies. Fully 40 per cent of all urban poor are single individuals over 65 years of age or consist of families headed by an aged person. Another 30 per cent are not in the labour force for other reasons, such as illness or handicaps. The Trudeau government has, on occasion, publicly supported the Lithwick findings. Equally frequently, it has denied the very same findings.

Consider, for example, the actions of the Minister of National Health and Welfare (Mr. Munro). He has been known to set himself up as the champion of the cause of the urban poor against what he has called the extreme, intolerant rightism or welfare backlash. In a speech on October 10, 1971 he is reported to have said that most of the people receiving welfare in our society are not the unemployed employables. Scarcely six weeks later, he spoke about poverty and welfare to members of the House of Commons. Despite his statement that almost 90 per cent of people on welfare are totally outside the work force and often incapable of ever entering the work force, he spent the majority of his speech telling us about unemployment insurance, opportunities for youth and other job creating schemes that the federal government had authorized as part of the anti-poverty battle. Small wonder that the Toronto *Star* headline for the next day read "jobs, not handouts government policy for the poor: Munro". There is no doubt that the programs the Trudeau government has billed as its anti-poverty weapons are inadequate to do the job. Both manpower and non-manpower programs are at fault.

• (1700)

Let us consider the anti-poverty plan most publicized in recent months by the Trudeau government, the Family Income Security Plan. According to the official news release, FISP is, and I quote:

—part of a larger 'package' which the federal government has developed to fight poverty in this country.

However, the minister has forgotten to co-ordinate all parts of this so-called package with the result that there is a flaw, possibly a fatal flaw, in the anti-poverty effectiveness of FISP. The problem is that under the Canada Assistance Plan, the provinces are entitled to lower their rates of welfare assistance in proportion to the higher family allowance payments these families will be receiving when FISP becomes law. Under Section 2(b)(iii) of the Canada Assistance Plan, there is a provision that the provinces, in determining the degree of need and arrangements for social assistance to applicants for welfare, shall take into account all income maintenance payments through unemployment insurance, old age security, Canada Pension Plan, and guaranteed income supplement schemes. However, it is optional for the provinces to take into account family allowance and other schemes. Currently, none of the provinces calculate family allowance payments as income for purposes of social assistance.

However, it is entirely possible that when the new, higher benefits to poor families are paid after FISP becomes law, some of the provinces will start to include FISP as part of the welfare applicants' incomes and will lower family social assistance payments correspondingly. It is especially likely that the poorer provinces, which have long felt hard-pressed by the inflexible 50-50 cost-sharing arrangements with the federal government under the Canada Assistance Plan, will unfortunately feel compelled to make such a revision. This problem in the relationship between FISP and the Canada Assistance Plan is an important one, and it is essential that the Minister of National Health and Welfare take immediate steps to correct it if he is sincere in his desire to fight poverty.

The Family Income Security Plan has been a political football for the entire life of the Trudeau government. Its repeated delaying of the plan, its high-handed approach to negotiations with Quebec and its refusal to let the people of Canada in on its intentions for the plan certainly throw into question the stated desire of this government to aid those in poverty. Today, we have again heard rumours of a major change in FISP. It is to be hoped that the Prime Minister (Mr. Trudeau) and the Minister of National Health and Welfare change their tactics this time, that they carefully and immediately explain the changes and ramifications of these changes to the Canadian people and that they then act upon these changes in the form of legislation brought before this House without further delay.

Family allowances are not the only means stated by the federal government to cope with poverty in this country, especially in urban areas where the majority of the poor live. Manpower policies are another route by which the federal government has proposed to help some of the poor. It is not necessary to carry out much investigation before coming to the conclusion that Canada's manpower policies do not serve best those who need them most. Too much of the emphasis in manpower policies is on helping those Canadians who are able to achieve the same goals under their own steam, and too little manpower money is allocated toward helping the hard-core unemployed, the poor, and persons otherwise disadvantaged.

For example, Canada's manpower training programs have come under heavy fire from critics who point out that present programs tend to favour those persons who offer the best potential for employment to the detriment of the riskier subliterate individual who may be one of the hard-core unemployed and the poor. In many ways, the principles, regulations and practices of the manpower training program operate in such a way that the majority of resources are channelled toward those who would likely be successful on their own and away from those who really need the help.

Like the training program, the scheme of mobility grants has been proven guilty of favouring the best pros-

pects for success and of leaving the poor and hard-core unemployed where they seem always to have been, at the bottom of the Trudeau government's list for receiving federal aid. One survey of workers receiving mobility grants found that 75 per cent of the movers openly stated they would have moved even if the government had not offered them mobility grants. Therefore, only 25 per cent of the people were really influenced by the grants.

The catalogue continues in similar fashion. Opportunities for Youth, Local Initiatives, all are schemes oriented to the young, middle-class generation that have the information and education necessary to dream up a project and present it to the federal government, using terminology and phraseology that civil servants understand and the regulations demand. The poor and the hard-core unemployed lack this essential background. Consequently, the manpower policies and programs of the Trudeau government are a failure in helping the 13 per cent of the poor who are in the labour force, and that is the estimate of the Minister of National Health and Welfare, as well as the other poor people who could join the labour force if there were an appropriate strategy geared to meeting their needs. Indeed, an appropriate manpower strategy has many times been suggested by reputable persons.

As the Economic Council of Canada has pointed out, the federal government's strategy in the field of manpower policy is primarily a growth strategy, with the objectives of equity and stabilization clearly being secondary. I refer hon. members to the Eighth Annual Review of the Economic Council of Canada, page 98. Recently several prominent economists have been suggesting a shift in our priorities in manpower policy goals so that equity is more directly sought. The Trudeau government is urged to heed this advice. What about the other urban poor, the ones who are not helped by either family allowances or by manpower policies? According to the Lithwick report, a large number of these are the aged and female family heads with children. What is the Trudeau government doing for these people?

The Liberals' efforts to help the aged are now generally recognized as miserly and hypocritical. After boosting old age pensions by 42 cents and removing the 2 per cent cost-of-living escalator, they rationalized this move by loudly proclaiming how generous they were being in raising the guaranteed income supplement. Yet people receiving even the maximum supplement, in cases of extreme poverty, still are not brought up even to the poverty line. A single person in 1971 received OAS and GIS payments at a rate of $1,620 per year while the poverty line for them in that year was $2,013. Likewise, a couple receiving maximum OAS and GIS benefits at a rate of $3,060 in 1971 still got less than the 1971 poverty line of $3,355. Consequently, the Old Age Security and guaranteed income supplement legislation fall far short of helping the aged poor.

• (1710)

The hypocrisy of the government is again shown by its attitude toward females who are heads of families. Where is the massive day-care centre plan needed to help poverty-stricken mothers who wish to get off the welfare treadmill and back into the labour market, but cannot afford to do so because of the cost of boarding children during the day? The new tax deductions for day care may help the middle income working wife, but they are insufficient in themselves to help the poverty-stricken mother who must raise her family alone. These women also need other supportive services from the federal government.

Throughout its term of office, the government has consistently turned a deaf ear to the valid criticisms of many Canadians with regard to its anti-poverty programs. Many of these faults could be corrected without too much fuss, yet the Prime Minister and his cabinet are so stiff-necked with pride that they refuse to accept most criticism directed at them. Instead, they righteously parade their list of so-called accomplishments, and sulk with hurt pride whenever they are chided for errors and inadequacies in these accomplishments. Many issues facing the nation today are too urgent to permit such time-wasting. Urban poverty is such an issue.

The problem of urban poverty is a growing one. Present welfare and manpower programs are inadequate to deal with the problems. New initiatives, a new approach and a new commitment to solve the problem are needed. Mr. Speaker, if this government is not willing to provide these, the Progressive Conservative party is.

[Translation]

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Boulanger): Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Edmonton Centre (Mr. Paproski)—Highways; the hon. member for Elgin (Mr. Stafford)—Drugs; the hon. member for Yorkton-Melville (Mr. Nystrom)—Veterans Affairs.

[English]

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED FAILURE OF THE GOVERNMENT TO CO-OPERATE WITH PROVINCIAL AND MUNICIPAL GOVERNMENTS IN DEALING WITH URBAN PROBLEMS

The House resumed consideration of the motion of Mr. Stanfield:

That this House, alarmed at this government's inability to deal with the accumulating problems of urbanization in Canada, declares that a federal government must co-operate in good faith with provincial and municipal governments in planning and in implementing policies on revenue sharing, inter-urban transportation, housing, urban poverty, pollution and rural depopulation.

Mr. Lloyd Francis (Ottawa West): Mr. Speaker, I wish to congratulate the Official Opposition for moving the motion which is before us; it gives us an opportunity to take part in a general debate on a whole range of questions. The difficulty about the resolution and about the

debate so far is that both are so far-ranging. The matters mentioned in the resolution include revenue-sharing, interurban transportation, housing, urban poverty, pollution and rural depopulation. In such a form it amounts to a kind of motherhood resolution asking the federal government to co-operate with the provinces and municipalities in examining a wide range of urban problems. None of us in this House would deny the need to look at these matters. The minister, replying to the Leader of the Official Opposition (Mr. Stanfield), drew attention to the record of the government in showing initiative in these fields and in bringing about co-operation on a broad front in the course of these activities.

Today I shall not attempt to deal with the generality of these questions, some of which are extremely serious and will be with us for some time. Instead, I shall attempt to place one specific matter before the House and call attention to the need for further initiative with regard to it. I believe the federal government, in co-operation with the provinces, should institute a program of grants for capital and operating costs in connection with a system of underground rapid rail transit in all our metropolitan cities. If we were to pick one single priority which would contribute most in terms of an improvement to the quality of life in our cities, I think it should be this one. As a starting point, I would take every metropolitan area with a population of 500,000 or more.

The story is the same in case after case. The automobile, which made the suburbs possible, is slowly strangling urban life. I am proud to see present in the chamber some of my colleagues who have co-operated when other motions have been before the House on other occasions. I go back to the question of public transport. The automobile creates a most difficult situation for those who are responsible for municipal affairs. It distorts budget priorities. As a member of the Ottawa City Council I never heard a single taxpayer complain about the million dollars a mile it cost to build a thruway, the Queensway, for example, or about proposals for a never-ending series of rapid, limited access expressways to bring yet more automobiles into the centre of the town and put them on streets inadequate to cope with them. But many taxpayers complained loudly about suggestions that a modest subsidy be granted to the operation of a public transport system. The automobile not only distorts the budget but it benefits from an untold number of subsidies, subsidies to build those expressways, off-street parking, traffic signals, a whole range of facilities. Public transportation does not receive the same kind of subsidy or encouragement.

Apart from this, there is the whole question of pollution to be considered. Anyone trying to take a walk, even in Ottawa which I consider to be a relatively unpolluted city, finds himself plagued by exhaust fumes, the waste products of lead fuels used in internal combustion motors. They are inescapable. We learn from recent studies that more than 50 per cent of the nitrous pollutants in the air of our cities come from private automobiles. There are conditions in which fumes from private automobiles and other industrial sources of pollution can be deadly. In certain conditions, sulphuric acid droplets are created in the air, droplets corrosive enough to erode the stone of these very buildings.

Federal Co-operation in Urban Problems

In the course of the great efforts which have been made to improve the national capital, some tentative steps have been taken toward improving public transportation. I had the honour to sponsor a resolution calling upon the government to enter into negotiations with the province of Ontario and the province of Quebec with a view to establishing a national capital region public transportation authority. This resolution was cast not in terms of solving the problems of a relatively small area, however important. It was designed to permit the federal government to set up, as a demonstration, the sort of arrangement which could be carried out in all our large cities. This motion was debated on March 6, 1970 as reported in *Hansard* at pages 4494 to 4504 and again on May 17, 1971, as recorded on pages 5872-5875. On the latter date I enjoyed the rare honour of seeing a private member's resolution passed in this House. I am still waiting to learn what consequences follow from such a signal honour. Nevertheless, it was a source of some satisfaction to me.

Today, I welcome the presence in the House of my colleague, the hon. member for Hull (Mr. Isabelle) who supported me in the earlier debate. He has favoured the idea of a monorail. I have an open mind on that matter. Possibly monorail transit is the solution. But this leads us to the second aspect of the question, which is that the federal government should take the lead in an area in which the municipalities themselves are powerless to do so. It must lead not only with grants and programs but with some basic research as well.

• (1720)

The technology of moving men and women in vehicles other than the private automobile in peak hours from the centre of cities has to be examined through a series of research grants. Some years ago when I was a member of the Ottawa Transportation Commission I had an opportunity of going to a United States transit association convention in San Francisco, and there we looked at the Bay Area Rapid Transit system. They were building something like 75 miles of rapid transit in one fell swoop, giving rapid transit to a city that had almost forgotten what public transportation was. Before embarking upon that system they had had to establish test laboratories to find out what kind of motors should be used. They were testing two kinds of alternating current motors and two kinds of direct current motors. They had to design coaches and do some fundamental research before making the decisions appropriate to their conditions.

The reservations that I have about a monorail system are twofold. First, there is a major switching problem of going from one line to another. The system seems to be adaptable for use as an airport line; for example, going from the centre of a large metropolitan area to the airport serving the community and back again.

Then, there is a major question concerning weather conditions. We are faced with ice and sleet, which is a severe test in wintertime, and these conditions do create problems for public transportation systems. I note that the famous Turbo train which operates between Toronto and Montreal ran into continuing technical difficulties, and had an accident resulting from weather conditions a few days ago.

Federal Co-operation in Urban Problems

Surely one of the very specific areas in which the government of Canada can take the initiative, consistent with our constitutional position and with the rights of provinces and municipalities, is in the area of public transportation. If a city is desirous of establishing an underground transportation system, such as Montreal did for Expo, the provision of some research grants would produce some conclusive and reliable evidence as to whether to develop a rapid transit system consisting of steel on steel or rubber on steel. Montreal made its decision based on the fact that they had to meet a serious time factor, and as a result their system was a costly one.

I am glad to see the minister is paying careful attention to my remarks, and I am delighted to see him here. I think that federal initiative in this area should be geared to the specific conditions prevailing in Canada, to the kind of cities we have and the kind of population densities we have in those cities, and to the immense difficulties we have to face in trying to plan forward in cities when we do not know what the future holds. An underground rail rapid transit system, could be the key to the kind of densities that you would have in centretown, to the use of the most expensive real estate, to the patterns of transportation which flow from the centre of metropolitan areas through an interurban pattern. The technology has to be established, and it can be established only with financial assistance at senior levels of government.

I have touched on just one problem. I am sure members on the other side of the House are interested in this matter and will give us their views. In my submission, this is one specific area in which it will be possible to make a positive contribution to the quality of life in our cities.

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I am very pleased to take part in this debate on the motion moved by the Leader of the Opposition (Mr. Stanfield), which reads as follows:

That this House, alarmed at this government's inability to deal with the accumulating problems of urbanization in Canada, declares that a federal government must co-operate in good faith with provincial and municipal governments in planning and in implementing policies on revenue sharing, interurban transportation, housing, urban poverty, pollution and rural depopulation.

I should like to put some emphasis on the question of rural depopulation. The nature and extent of rural depopulation in Canada has severely damaged the quality of life in rural Canada and has aggravated many of our urban problems as well. The Progressive Conservative party has committed itself to revitalizing rural Canada. This is an important aspect of providing more humane and manageable urban development. The following resolutions were formally accepted by our policy convention at the Progressive Conservative annual meeting on December 5, 1971.

1. Federal policy should recognize and develop the importance of Canadian towns and other communities under 10,000 population, in the following ways:

(a) Present national policies which in fact now hurt or with change could help Canadian small communities should be systematically reviewed and changed.

(b) Meetings should be convened with the provinces to develop a national policy for the towns and rural communities of Canada.

(c) There should be consideration of establishing an objective "Towns Test" to determine the effect upon smaller communities of every piece of new legislation proposed for consideration by parliament or for implementation by order-in-council, and a National Council from the towns to ensure a liaison between the national governments and representatives or local government, to meet quarterly for two-week periods in Ottawa to review legislation and practices which affect smaller communities and rural Canada, and to make recommendations informally to standing committees of parliament and government departments and prepare a formal annual report to parliament.

(d) Public servants whose decisions seriously affect Canadian small communities should, wherever possible, have personal experience in small communities and should be required to spend an annual two-week sabbatical in a different town or rural community, in a different region each year.

(e) In consultation with the provinces, professions, and representatives of small communities, there should be established a small agency of lawyers, economists, and others, independent of federal government in the manner of a Crown corporation, supported in part by the subscription of local governments, and available to assist member local governments, when they are engaged in major confrontations with groups whose expertise or other power is disproportionately strong.

It is now the unique good fortune of Canada to possess both great cities and strong smaller communities. Any serious weakening of Canada's smaller communities would involve a high human cost to the people forced to move, a high dollar cost to the cities forced to receive them, and a higher cultural cost to a country which values the qualities of life in smaller communities.

There is evidence that smaller communities can be both viable and valuable to Canada. Roughly 35 per cent of Canadians interviewed in the 1966 census live in communities of population less than 10,000, and the general quality of Canadian life is enhanced by the continued existence of communities where there is a sense of place, a sense of neighborliness, a tradition of responsible participation in local affairs, and a respect for environment.

While it is recognized that the provinces are responsible for municipalities, it is also recognized that many areas of federal responsibility nevertheless seriously affect smaller communities in Canada, and that it should be a conscious policy of the federal government to co-operate with the provinces in developing the full potential of these communities. Present national policies concerning transportation and transportation services, housing, industrial development, agriculture, taxation, trade and other matters often harm or fail to benefit smaller communities in Canada. The official harm done these communities, while sometimes deliberate, is often simply the result of policy makers ignoring or not knowing the interests of smaller communities. The limited budgets, limited experience and limited expertise of smaller communities often place those communities at a serious disadvantage in dealing with governments, agencies, corporations and other powerful groups.

• (1730)

There is now virtually no effective federal provision to help provinces or smaller communities meet the special problems and opportunities of smaller Canadian communities. Leadership by government in recognizing the potential and value of Canadian towns and smaller communities will encourage private industry, institutions and individuals to recognize the viability of such communities. A Progressive Conservative government of Canada will encourage and strengthen smaller communities, as a

necessary complement to the continued growth of large urban communities and attitudes. A Progressive Conservative government will undertake a systematic review and amendment of all national policies which in fact now harm but which with change could help smaller communities including, specifically, policy respecting housing, industrial development and incentives, resource development, railroads and other national transportation, the Canada Council, the CBC and other national cultural institutions, agriculture, manpower, taxation and trade.

A Progressive Conservative government will convene meetings with the provinces to work out a national policy for the towns and rural communities of Canada. A Progressive Conservative government will consider, as one step, the establishment of a special small communities branch in the Department of Industry, Trade and Commerce to, first, maintain in co-operation with the provinces and local communities an up to date inventory of industrial opportunities in Canadian smaller communities; second, to ensure the inclusion of small community representatives in certain Canadian trade missions and government-industrial briefings; third, to circulate to local officials the latest information on trading and industrial developments of importance to small communities; fourth, to prepare and circulate an annual report on technological and other changes which allow modern industry to move outside cities, and a list of the kinds of industry so liberated; and, fifth, to otherwise assist the development of a modern industrial base in Canada's smaller communities.

A Progressive Conservative government will consider the establishment of an objective test, perhaps to be called a town's test, to determine the effect upon smaller communities of every piece of new legislation proposed for consideration by parliament or for implementation by order in council.

Mr. Baldwin: This government would fail on that score.

An hon. Member: The echo over there is significant.

Mr. Paproski: These are all real suggestions for the government and I want the minister to take note of them so he may implement them in his new work.

Mr. Baldwin: He will not be here long enough to do it.

Mr. Basford: There will be more chance for me to do it than for the hypothetical government they are talking about.

Mr. Paproski: I hope you do something in respect of that bridge in British Columbia; they are still asking for a little loan. A Progressive Conservative government will consider the establishment of a national committee from the towns, appointed for short, fixed terms by elected local councils through the provinces—under the representational formula pertaining to the Senate—to ensure liaison between the national government and the representatives of local government, to meet quarterly for two-week periods in Ottawa to review legislation and practices which affect smaller communities and rural Canada and to make recommendations informally to standing committees of parliament and government departments and to prepare a formal annual report to parliament. Isn't that great stuff!

A Progressive Conservative government will consider the appointment of a five-person secretariat, along the lines of the office of the commissioner on bilingualism, to assist the national committee from the towns and to work with standing committees of parliament whose deliberations concern rural Canada. The hiring policy of a Progressive Conservative government will consider the personal experience in towns of each public servant whose decisions would seriously affect Canadian small communities and will further consider sending public servants in such sensitive positions on an annual two-week sabbatical to a different town or rural community, in a different region each year, to help develop in Ottawa an adequate perspective on small communities and to help forge human links between national policy and local requirements.

In recognition of the serious lack of relevant expertise in small communities dealing with governments, corporations and other powerful groups, and in a consequent attempt to give David a slingshot, a Progressive Conservative government will consider establishing, in co-operation with the provinces and professions, a small agency of lawyers, economists and others independent of the federal government in the manner of a Crown corporation, supported in part by the subscription of local governments and available to assist member local governments when they are engaged in major confrontations with groups whose expertise or other power is disproportionately strong. A Progressive Conservative government will, through its appointments and other means, act generally to utilize the talents and potentials of Canadians from smaller communities so they might better make their indispensable contribution to the quality of life of modern Canada.

Mr. Speaker, this is my part in the debate and I hope the minister has taken note of it.

Mr. Basford: Have you run out of notes?

Mr. Paproski: No. I have a lot of material, but other hon. members wish to speak this afternoon. I thank hon. members for allowing me the time to speak.

Mr. John Gilbert (Broadview): Mr. Speaker, I should like to preface my remarks by congratulating the minister on his appointment as Minister of State for Urban Affairs. I would remind him that when he was Minister of Consumer and Corporate Affairs I tagged him as the national shadow-boxing champion of Canada, for the simple reason that under his ministry Canadians had the highest priced drugs than ever before. He has assumed the mantle of Minister of State for Urban Affairs when Canadians are paying the highest prices for housing we have ever experienced. I hope that when he re-reads the speech he made today he will, in all humility, appreciate that Canadians are paying the highest price for housing that we have ever experienced.

We in the New Democratic Party agree with the motion presented by the Progressive Conservative party and we share the alarm expressed because of the government's inability to deal with the problems of housing and urbani-

zation. Indeed, we share the alarm of most Canadians, not only in respect of the inability of the federal government to deal with these problems of urbanization but the inability of the provincial governments.

I think it would be fair to say that this federal government to the present time has shown lack of leadership, slowness of response and lack of co-ordination and planning in respect of the problems of urban life. It could be said that the provinces also have been guilty of lack of co-operation, participation and determination as well as lack of appreciation of the magnitude and urgency of urban problems. Having blamed both federal and provincial governments, I would imagine most Canadians would say, "Plague on both Houses", but I am a charitable person and would like to think that these problems are not directly the responsibility of either the federal or the provincial governments: they are an accumulation of problems as a result of urban growth in an industrial society. When one realizes that by the year 1980 two-thirds of all Canadians will be living in 29 major Canadian cities, one appreciates the impact of these problems and the necessity to tackle them. This also indicates the urgency of the need for co-operation and co-ordination.

• (1740)

When I heard the Minister of State for Urban Affairs (Mr. Basford) speak about the mandate of his government I was reminded of the year 1967 when the federal-provincial conference on housing and urban development met. At that time Mr. Pearson took the initiative and suggested the establishment of a national urban council to take on the problems of the big cities through a tri-level approach. I was also reminded of the rejection of this proposal by most of the provinces. It was the predecessor of the Minister of State for Urban Affairs who reintroduced the idea in 1970 and then, rather cautiously but persuasively, tried to impress upon the provincial governments the need for a tri-level approach to our major problems. In November of 1971 all the provinces made a commitment to form a national urban council. From that time to today, when the minister announced that there will be a meeting in April of this year of federal-provincial-municipal representatives, we have been left in the dark with regard to the problem.

As has been indicated by some of the provinces, there has been a change of attitude. The province of Ontario has attempted to approach the problem from the point of view of tax sharing revenue, which would probably scuttle the structure of a national urban council. Today we find that the minister has announced the meeting for April. One wonders just how long it would have taken the minister to announce the meeting if the opposition had not brought forward this motion today. One wonders what political advantage he was attempting to gain by holding off and keeping quiet.

I should like to deal very briefly with one of the major aspects of this resolution, that is, the aspect of housing. May I remind members of the House that in April of 1969 we witnessed the resignation of the hon. member for Trinity (Mr. Hellyer) because the government refused to implement the recommendations of the task force report on housing. From that time there has been no legislative program on housing by this government and we have had very little new programs in the housing field: no legislative changes have taken place since.

The predecessor of the Minister of State for Urban Affairs was a man who dedicated his time to research rather than to action. He surrounded himself by academics and consultants, and instead of tackling problems he attempted to research them. We now find that the problems are still with us, but the minister has left us. The previous minister appointed Harvey Lithwick to make a study. He came forth with a report entitled "Urban Canada—Problems and Prospects". Today, the Minister of State for Urban Affairs called it the bible. I might say that probably he and many others have not read Harvey Lithwick's report. I hope that after the minister reads it he will take some action on it, because when he calls it the bible this might mean that, like the bible which usually sits on the shelf and accumulates dust, the same might be happening to the report.

As to Harvey Lithwick, he resigned in disgust because of lack of initiative of this government with regard to implementing the ideas that were set forth in his report. He revealed the bureaucracy and empire building that goes on within the department and then took the obvious course and resigned.

The minister's predecessor appointed Walter Rudnicki to set up a new policy and planning division. He also appointed Michael Dennis to prepare a report with regard to social housing, in particular low cost housing. He also had a task force to report to him within one year on what changes should be made to the National Housing Act to meet the needs of the seventies. None of these reports has been made public, although the minister has had them in his possession for some time. I call on the minister to exercise participatory democracy by divulging to all Canadians what was contained in that report.

Canadians should know what they have paid for in obtaining consultants to prepare reports concerning the housing and urban problems in Canada. I do not think the minister should take upon himself the decision to keep these reports secret. He should make them public and refer them to the appropriate committee for study and discussion. It is only by hearsay and from articles that we know what the reports contain. In a recent article by Michael Audain, entitled "Housing and People", published by the Canadian Council on Social Development in the December 1971 issue, he attempted to point out the gist of some of the recommendations which Canadians have paid for and which the government is keeping secret. The first recommendation is as follows:

> CMHC should be restructured and reoriented to change its role from that of primarily serving as a public lending institution to one capable of devising comprehensive and socially sensitive housing policies for the federal government, the implementation of which might in many cases be devolved to provincial and local agencies.

We have seen the performance of this government in the past few years, namely, that of a friendly banker being slowly pushed into developing a program to assess the comprehensive needs that Canadians have with regard to housing. We agree with this principle and we urge that the federal urban council be set up immediately because it is needed to assess, to plan and to co-ordinate housing needs across Canada and, as the minister said, not only housing

needs but the impact with regard to pollution, transportation and many related problems. We agree with that and we ask the minister to change the role of a friendly banker to one of active participation in developing a comprehensive program of our social needs in housing. The second recommendation in the report is as follows:

The federal government should undertake an aggressive land assembly program to stem the most inflationary factor in housing costs: the price of land. This program would involve a considerably greater financial commitment than the $100 million that CMHC has spent on land assembly in the last ten years and a much more direct relationship with municipalities.

Of the three cost items with regard to housing today—land, building materials and interest rates—the greatest increase in cost has been in land. It is high time that the government took the initiative with regard to a land assembly program initiated by them in co-operation with the provincial and municipal governments. I am reminded of the experience of the hon. member for Trinity when he attempted to direct moneys to municipalities for housing, and the storm that he encountered: it was probably one of the major reasons he resigned. For the edification of the Minister of State for Urban Affairs may I quote the words of a British expert, Professor John Donnison of the London School of Economics who, speaking in Canada in 1968, said:

• (1750)

Municipal authorities must act quickly to acquire large tracts of land, before they are actually needed, and under compulsory powers if necessary, to counteract the problems of fast-rising land prices in urban centres. Buy more land now, rather than try to control prices. The land thus acquired can be leased to private developers, for example, when the time is right for development. Such programs may call for a large initial investment by the government, but thereafter they generally cover their costs or make a profit.

The government, even though it has had the mandate, has not acted with regard to land assembly. It is time the minister set forth in his capital budget the amount of money he is prepared to make available to the provinces and municipalities with which to acquire land. If he does not, we will have a continuation of the speculation that prevails with regard to housing and we will experience ever higher costs of land.

The third recommendation of the task force is that a new section regarding housing rehabilitation should be written into the National Housing Act. Under its provisions, low-interest rate loans would be made available to landlords and homeowners prepared to improve their homes without displacing present occupants. May I remind the minister that home improvement loans in Canada have been on a steady decline for the last four or five years. It is high time that grants and low-interest loans were made available for people to rehabilitate and rebuild their homes. It is not sufficient to give such grants and loans to landlords without taking into account the necessity for rent control or strict adherence to housing maintenance bylaws: otherwise, the money goes to subsidize slum landlords who do not pass the benefit on to their tenants.

The hon. member for Greenwood (Mr. Brewin) has often asked for the provision of such low-cost loans and has told us of the experience of old age pensioners who live in cities and who want to repair their homes but do not have the necessary money to undertake repairs. Surely it is time for the minister to make available to municipalities moneys so that it can be loaned to house-owners, who in turn will repay these loans at very low interest rates as part of their taxes. It is not the duty of the Minister of State for Urban Affairs to protect the banks and insist that people go to banks for home improvement loans. He has a duty to take care of people who cannot obtain loans from banks and cannot pay the high interest rates that are demanded. I urge the minister to take note of this suggestion.

The fourth recommendation that might be incorporated is an important one: it is that the federal government should reduce its spending on subsidized public housing to a point that might lead to eventual abandonment of the program. This is a recommendation in the report that the government has in hand. It seems that the hon. member for Trinity (Mr. Hellyer) is still haunting us!

In his task force report on housing development, he said, "Away with public housing!" He made it the whipping-boy. Instead of attacking the problem which shows that housing needs cannot be met through the private market, he made public housing the whipping-boy. I hope this minister does not fall into the same trap and follow that line of argument. The so-called stigmatization of the social environment by public housing is something that is completely false. I remind you, Mr. Speaker, that only 10 per cent of all 1970 starts were in public housing. I remind the minister that the Senate Committee on Poverty has urged an expanded program of public housing. Surely it is time that we built public housing which would be satisfying for people to live in, embracing some of the ideas and initiatives that have been tried in European countries? As in England, we could have municipally-owned public housing. We could develop co-operative housing as they do in Sweden and adopt the idea of rent allowances as in Germany.

I notice that my time is drawing to a close, Mr. Speaker, and therefore I wish to direct my final remarks to the interest rates that people pay for housing. The minister expanded his chest and boasted that legislation has been prepared with regard to a residential mortgage bank. Isn't it high time that he directed his efforts to our high interest rates, the highest we have ever experienced in Canada?

There are four things we need in Canada: a right to housing, a right to medicare, a right to employment and a right to education. It has been said many times that every Canadian is entitled to clean, warm shelter as a matter of basic human right. I call upon the minister to forget the banks and lending institutions and direct his attention to lowering interest rates so that all Canadians may live in decency.

Mr. Speaker: Order, please. The hon. member's time has expired. It being six o'clock, I do now leave the chair.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Federal Co-operation in Urban Problems

Mr. Ian Watson (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, I am glad that the minister had assumed the functions of Minister of State for Urban Affairs. In his three years as consumer and corporate affairs minister he brought in 12 new pieces of consumer legislation—more legislation in the consumer field than we had seen at the federal level in the last 20 years. His experience in consumer affairs is the right kind of background for the public housing role which has become the pre-eminent concern of CMHC during the past several years. Just to show how important that role has become, in 1971 the government of Canada made $306 million available for public housing. The public housing impact has pushed housing unit starts to new records—to 233,000 starts last year and over 200,000 completions in 1971, while at least 240,000 starts are forecast for 1972.

There is no lack of activity, Mr. Speaker, but I should like to pose the question about the quality of this activity in terms of the kind of living conditions we will find in all these new subdivisions, condominiums, limited income and various low-cost housing five or ten years from now. I represent an area which reflects the accommodation and living problems which plague major Canadian cities. What I find most frustrating is that we seem to know pretty well the way in which most of the problems should be solved yet we continue to commit the same errors of planning, the same unco-ordinated, unaesthetic development of subdivisions and apartments that characterize most of our suburban landscape whether it is outside Montreal, Toronto, Winnipeg or Vancouver.

The Speech from the Throne indicated what the minister reiterated today, that the government intends to introduce new measures to provide a wider range of assistance to improve the quality of urban neighbourhoods. This program will replace the urban renewal program which the previous minister dropped last year because it tended to encourage the bulldozer approach to urban renewal. The new program will stress urban rehabilitation, a concept of which I heartily approve.

[*Translation*]

However, I should like to bring to the attention of the minister the result—certainly unexpected—of the decision by the department to drop the urban renewal program.

Two municipalities in the riding of Laprairie, namely Greenfield Park and Laprairie, had undertaken some rather expensive studies under the urban renewal program with the idea that they would receive subsidies from the federal and provincial governments. When the program was suddenly terminated last year, these municipalities, which has undertaken these studies in good faith, found themselves saddled with considerable expenditures which were unexpected and not provided for in their estimates.

I think that it is altogether unfair, on the part of the federal government, to refuse to honour the obligations that it had agreed to assume when Laprairie and Greenfield Park ordered studies under the urban renewal program.

I strongly advise the minister to make sure that the department recognizes what I consider to be its moral obligation toward Greenfield Park and Laprairie.

[Mr. Speaker.]

• (2010)

[*English*]

While it appears from the Throne Speech and from what the minister said today that much will be done to improve the quality of urban neighbourhoods, I ask: What about suburbia? When will we realize that by giving a stronger social animator role to CMHC we could, at practically no additional cost, vastly improve our expanding suburbs. This social animator role on the part of CMHC would necessarily reflect the needs of any given area.

I do not think the corporation could expect to play the same sort of role in all areas across Canada. For example, in the national capital region it is time that CMHC, in co-operation with the National Capital Commission, started pushing for underground electrical wiring and underground telephone cables. A street not far from Parliament Hill was completely ripped up last summer. I happened to travel over it at that time. A few months later I noticed that although the street was fully repaired, one side of the street was a tangled network of telephone and electrical cables. I am sure, since the city of Ottawa had spent hundreds of thousands of dollars repairing the street, that at very little additional cost it could have put these electrical and telephone cables underground. However, it is not possible, apparently, for the National Capital Commission or CMHC to force these kinds of measures on the city.

We who are in public life find that too many people take too many things for granted. For instance, to the average citizen it seems that governments think out solutions to all kinds of problems more thoroughly than is the case. Such an assumption is in error, as is evident when one comes to this place. I also think that different levels of government assume that other levels of government are thinking more about problem solving than is the case. Here we find the city of Ottawa allowing overhead wiring to exist even though opportunities present themselves for placing these wires, at low cost, underground. I feel that in an area such as this the National Capital Commission and CMHC in concert ought to exert some influence. These bodies should adopt an innovative, social-animator role in the Ottawa area and put pressure on the municipal council to act.

In other parts of Canada the role played by CMHC might differ. Along the south shore of the St. Lawrence, in the federal electoral district of Laprairie which I represent, one finds that many things have not been done that should have been done. For instance, many municipalities are still encouraging new housing subdividers to come in without properly capitalizing the costs of all services related to such subdivisions.

The municipalities look at obvious things such as sewage, water, perhaps sidewalks, and capitalize the cost of those services; that is, they apportion over a fixed period the capital costs against people who will live in the neighbourhood or subdivision and will have to pay these capital costs through taxes. However, the rest of the people in the municipality end up paying for a whole host of other costs associated with the development of any particular subdivision. I am talking about things such as interest charges, street lighting, police services, fire services and administrative services as well as the many small items that do not look very large when provided for

a single house but which add up very quickly when provided for a 200- or 300-house subdivision. These costs become a serious tax burden for the taxpayers of a municipality.

Now, in some parts of Canada, provincial governments are requiring adequate capitalization to provide such services so that they are included in the price of the lot. This, however, is still not occurring in Quebec. I suggest that in areas where provincial governments do not take on the necessary innovative or social animator role CMHC should exert indirectly the kind of pressure that is necessary to protect the average municipal taxpayer.

Let me talk about planning. Generally speaking, I feel that there is lack of local and regional planning because we are still putting low-cost housing into areas that really cannot afford to support it. Houses go into a small municipality: taxes are low when they first go in; however, by the time people start paying through taxes the various costs associated with the development of such low-cost housing, the people who first went to that municipality to take advantage of such low-cost housing find they are paying astronomically high tax bills. I feel strongly that CMHC, the organization for which the minister is responsible, should not allow low-cost housing to go into a municipality that does not have a sound tax base. In the long run we are only inflicting higher costs on the people we are supposed to be helping if we allow that type of housing to go into a municipality which does not have a sound tax structure.

There are several other areas in which CMHC can act in an innovative and animator role. We should concentrate more on architectural standards, for example. The amount of space which CMHC insist on being devoted to green areas is not large enough. In Montreal, at least, this green area rule has not been vigorously enforced. In many cases we find that designated green areas have been rezoned by towns after a period of years. There appears to be no real guarantee in law that such green areas will be kept green or as park areas for the benefit of local populations. CMHC should be very much more vigorous in enforcing this green area rule and in eliminating from its list of acceptable municipal areas any towns or municipalities that renege on their original green area agreements. This has happened in almost every municipality of the south shore that has benefited from CMHC or NHA funds.

Also, CMHC does not protect the consumer enough. They do not appear to regard themselves as the protectors of house buyers. They feel that their legal obligation is to make sure that a house bought with CMHC guaranteed funds is structurally sound and it ends at that. I feel that under the guidance of the minister, CMHC can become much more consumer conscious and more of a protector of the house buyer no matter whether that buyer buys a low-cost house or a more expensive suburban house that is backed by an NHA guaranteed loan.

More public input into CMHC decisions is needed. It would be distinctly to our advantage if there were more public input into deciding where subdivisions are to be placed, into what areas around any large city are to benefit from CMHC funding of public housing, etc.

• (2020)

We hear a great deal about the quality of life these days. The minister has more potential for upgrading the quality of the living conditions of Canadians than any other individual in this country. I am confident that this is the kind of challenge the House relishes and I implore hon. members to take hold of CMHC with both hands and mould it into the innovator, social animator and consumer protector role which this country needs.

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, one of the specific failures charged to the government in the motion we are considering is that of dealing effectively with the problems of pollution in the urban environment It has become fairly obvious that pollution goes hand in hand with urbanization. The problems we face in our cities are such interrelated parts of a vicious circle that no single thread can be found and no problem can be easily pinpointed without including in that the question of pollution control. Since 1968 the present administration has enacted some legislation relating to pollution. In a sense it can be said that the government has acknowledged its obligation to the Canadian people to deal with pollution problems in this country. However, if we look at the bills that have been passed and the effect they have had in the 3½ years of this administration, we find we have made very little progress in pollution control per se and much less in terms of pollution control of the urban environment.

We have had amendments to the Canada Shipping Act regarding marine pollution. The government has created the Department of the Environment with the express intention of co-ordinating all pollution control efforts. We have had the Clean Air Act, the Canada Water Act, the Arctic Waters Pollution Prevention Act and several others—but none of these pieces of legislation deals directly with the problem of pollution in urban areas. Not only that, none of these bills has yet become an effective part of the law of Canada. I could go through them one by one, but I will not do that at this time except to mention the Canada Water Act which was brought in with great fanfare in 1969-70. However, to my knowledge it has not resulted in any agreement in the two years it has been in existence to effectively create pollution control projects. There have been some studies but no actual accomplishment.

Mr. Basford: You did not listen to my speech.

Mr. Aiken: The same goes for the Clean Air Act. It has not yet been effective. The control of urban pollution has been largely left to the provinces and municipalities. This has resulted in a very unco-ordinated attack across the country on pollution control and urban centres. When it comes to the field of pollution, the federal government seems to hide behind the constitution. Thus, the activities of federal departments for airports, expressways, bridges and public buildings seem to be immune from urban planning and environmental control. So are the activities of federal enterprises responsible for harbours, railways terminals and corridors, power plants, telephone and other utilities.

However, taken together, the significance of federal involvement in urban areas is very high because more and more the federal government is taking over large segments of the economic life of this country. There are more federal departments, federal buildings, harbours, airports and everything. In large part this is causing a problem rather than helping to solve it. The presence of the federal government as employer, developer and taxpayer in our larger urban regions will almost inevitably increase in the future. If urban problems at all levels of government are to be harmonized with environmental and related urban problems, it will be difficult to avoid the conclusion that relevant federal agencies must participate actively in community planning. Until this time they have managed to be exempt, in large part, from community planning and regulations that control everybody else.

I would now like to get down to specifics. Water and air pass freely within, between and over all political jurisdictions in Canada. They know no boundaries. Hence, all jurisdictions have a necessary role to play in their management. The sad part of the whole mess is that most cities do not know how much air and water pollution they actually have. If they do know, they are not telling their citizens. People who live in Toronto happen to know about air pollution measures because the Ontario government both monitors its urban air and takes corrective measures after monitoring. The federal government recently announced it was undertaking a national survey of air pollution sources and the amount it would cost for clean-up. I hope this survey produces fruitful results—but surveys are only the beginning. We have had air pollution problems for many years, but the federal government has always backed off them and has said it has no responsibility and, therefore, has taken no action.

Under constant pressure from pollution control groups, members of this House and members of the public, the government has admitted it has responsibility in connection with air pollution: it has undertaken to expand its air control facilities. It is only now, at least ten years too late, that it has expanded its control system far enough to even know the whole picture across the country. Even if cities are ill-informed on air pollution, about which there has been some argument, every city should know what it is doing to its water because of sewage. Given the increasing urbanization trends in Canada, the sewage treatment situation in our larger centres is of the greatest significance.

Quebec City and Montreal treat virtually none of their sewage, while Vancouver treats only 30 per cent. In fairness it can be said that over the years these large cities have had the sea at their door and the sea has been considered a wide-open and limitless dumping place for all kinds of waste and sewage. We are now finding that this is not true; it is not limitless and there are areas where sewage comes back on people further downstream. These responsibilities are now beginning to be recognized. The remaining large Canadian centres such as Toronto, Edmonton, Ottawa, Hamilton, Calgary and Winnipeg treat up to 100 per cent of their sewage at least in a primary way, but only Toronto and Edmonton, as far as I know, provide more than primary treatment for their sewage.

Expenditures on urban water treatment facilities have been growing at the rate of 8 per cent per year nationally.

[Mr. Aiken.]

This is faster than the national population growth. However, much higher levels of expenditure are necessary if our urban areas are to catch up with their backlog and treat waste-water discharged by their new populations and industries to minimum acceptable standards. Not only do we need an air monitoring survey, as I mentioned previously, but we must conduct a national industrial survey to determine the exact breakdown of the wastes from every plant in this country which is discharging waste. This information is not available to us. Work has only just begun in dealing with some of the major pollutants. It is true that several bills have been passed in this House, but they have not yet become effective.

• (2030)

The Minister of the Environment (Mr. Davis) shows great interest in his department and a real concern for the quality of the environment—but it takes more than one minister in a cabinet of 30 to provide the impetus and the funds which are required to control pollution. There must be a commitment by the government as a whole to give priority to pollution control. It is not sufficient just to set up a Department of the Environment and allow one minister to make speeches and bring down legislation: financial backing is necessary, and this has not yet been accorded.

I wish to consider for a few moments the case of the automobile. The automobile is about the worst polluter of the air. In the larger population centres, it is the worst. Conditions in Montreal dramatize the situation facing all Canadian cities, in some of which carbon-monoxide levels are higher than they are in many large United States cities. Statistics relating the total number of vehicles in Canada to the number of miles of highway are not sensible, inasmuch as motor vehicles in Canada are concentrated in relatively few areas—within half a dozen of the major urban centres. This is where the threat is developing. Little has yet been done. City planners have been telling us for years that private automobiles have no place in the centres of major cities. As long as automobiles cause pollution, cars should be kept out of the central cores of urban areas where, in any case, other pollution levels are high. Experiments are taking place in an attempt to produce vehicles which do not cause pollution. They show promise, but obviously it will be a number of years before there is any hope of our seeing these vehicles in common use.

As to getting industry to clean up its own mess, the budget of last June announced the withdrawal of sales tax on anti-pollution equipment. This is a step forward, one for which our party and others have been asking for a long time. The government has shown wisdom in taking this course. I understand there was to be a loan fund to assist industry in meeting the cost of installing new pollution control equipment. The Minister of the Environment has been talking about such a fund, but we have not seen evidence of it yet. I hope something may be done soon along these lines. It is generally accepted that if a corporation operates a plant which regularly discharges pollutants into the atmosphere, it should be punished. Before punishment is imposed however, the firm concerned should be given a chance to improve the situation and see that no offence occurs.

I wish to mention, in passing, another aspect of pollution in urban areas—the disposal of garbage. This is the ugly side of plenty. Solid waste produced in Canada is estimated to be 673 million tons a year. Industry produces 67 per cent of this total, agriculture 30 per cent and the municipalities about 3 per cent. The average Canadian in an urban area generates 4.3 lbs of solid waste every day, or 1,500 lbs a year.

This represents a tremendous volume of garbage and suitable methods of dealing with it have yet to be developed. I might add that every day increasing numbers of plastic products, which cannot be broken down or recycled, are reaching consumers. This, of course, cannot but add to the difficulty. This is a situation which must be dealt with effectively, but so far I have seen no movement on the part of the government to do so. This is not just a problem which affects one city or a few cities; it is a national problem and is one concerning which the government should be taking action. I submit the government is not doing so.

I wish to conclude with this comment. Disregarding the several gestures which the government has made in response to the demands of the public, it has not yet shown real concern about pollution in Canada and the need for measures of pollution control as a priority: control of pollution is not rated as a first priority, as a second priority or even as a third priority. As I see it, it tags along as an addition to the various areas of responsibility which the government exercises. It is attached to fisheries, it is attached to transport, it is attached to water, it is attached to public health. The intention originally was to centralize responsibility in one department so that effective measures could be taken. I say that though the form was changed and a new department set up, action by that department has been restricted through lack of wholehearted support.

Presumably, the government as a whole believed that the problem would go away or that the people would forget about it. I assure hon. members opposite that neither of these things will happen. The problem will not go away, and as long as people are troubled by evidence of pollution which they can see every day for themselves, they will not forget about it. The challenge to the government is great. I commend the government for the efforts it has made so far in preparing the ground and bringing down legislation. But so far none of this work has been followed up. Regulations putting teeth into these laws have yet to be passed. The large sums of money necessary to make them operative have yet to be provided. The form is there; the shell is there: but to this point it is a hollow shell, devoid of substance.

• (2040)

Mr. David Weatherhead (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, in his speech this afternoon the Minister of State for Urban Affairs (Mr. Basford) outlined just how the tripartite discussions between the federal government, the provincial governments and the municipal governments are once more back on the rails with the meeting in Hull on April 10 next. He also outlined our housing successes of last year consisting of 230,000 housing starts, with great emphasis being placed on public housing, and the hope and expectation is for 240,000 starts this year.

Toward the end of his comments the minister also made reference to our proposed new policies regarding mortgage banks, which are designed to make a mortgage a more liquid security, and to our policy regarding improving drastically the quality of urban neighbourhoods. I thought that tonight I would make a few comments, not so much in my capacity as parliamentary secretary to the minister but more in my original capacity as a member of parliament from the metropolitan Toronto area.

In my first speech in the House of Commons on November 12, 1968, I said I was completely in favour of a new department of urban affairs being established. As reported at page 2652 of *Hansard* for that date, I said:

> —I believe first of all that a new federal department of urban affairs should be created. Such a department would be able to be an effective liaison not only between the various federal departments interested in urban matters but would be able to direct and increase the co-operation among the federal, provincial and municipal levels of government, which is so necessary because of the overlapping constitutional jurisdictions in this field.
>
> Such a new department would also be able to focus federal interest and concern on urban areas and also stimulate research, both in our universities and in the department itself, on urban problems. We have had departments of fisheries and agriculture ever since confederation and now, when most Canadians reside in our cities, I strongly submit that a department of urban affairs, with its own minister in the cabinet, is not only desirable but absolutely necessary.

As I say, I made that speech in this House about 3½ years ago and at that time a great many Members of Parliament from different parties, both from Toronto area and elsewhere, were saying somewhat the same thing. I confess that at that time I was not too optimistic about our government's attitude in this respect. It seemed that we had real constitutional problems. As the minister stated this afternoon, it was not a question of using the excuse that the municipalities are under provincial jurisdiction—there is no question of that. It was more a question of how we could become involved more significantly in the field of urban affairs without treading on the toes of the provinces, or at least seeming to do so. However, I must say that with the appointment of the then minister responsible for housing, the present Minister of Consumer and Corporate Affairs (Mr. Andras), to that portfolio in the spring of 1969, I believe it was, he quietly and effectively came to stress in his speeches, both in the House and outside, the importance of urban matters to the national scene.

The minister also mentioned earlier today that Mr. Harvey Lithwick and other consultants were commissioned to make an in-depth study of the problems facing urban Canada. When that study was published a couple of years ago the statistics and facts contained in the report were enough to convince the government that the time had indeed come to appoint a minister of state for urban affairs. According to the statistics, about 70 per cent of the Canadian people today live in cities. As of 1980, about 80 per cent will live in the cities. Even more significant than that, by the year 2000, if present trends continue, approximately 73 per cent of Canadians will live in our largest 12 urban cities, about 45 per cent of these—almost

half—living in the cities of Montreal, Vancouver and Toronto.

According to a projection to the year 2000, the city of Toronto will then have six million people, as against only about two million now, a figure which most people regard as too many. Without being facetious, the fact that by the year 2000 Toronto will have six million people living in the city is enough to demonstrate to the federal government the necessity for a ministry of urban affairs. One has now been created.

As illustrated in the speeches of the former minister, as well as the new minister of the department, 27 federal departments and agencies and 112 federal programs directly relate to urban Canada. Therefore, we have to be able to co-ordinate all of these federal departments and agencies and, more importantly, federal programs, and direct their thrust at the urban areas. We must also stimulate liaison between the provinces and municipalities, which is one of the objectives of the new ministry. Then, of course, we must facilitate urban research both at universities and in the urban ministry itself.

It is quite easy to say that we do not need studies of this kind or that kind, but may I remind hon. members that that it was the study conducted by Mr. Lithwick, as well as studies of a similar kind, that graphically showed just where the country was heading as far as urban Canada is concerned and underlined the importance of urban affairs to the national scene. So I suggest that studies of this kind are very important.

As I have said, liaison between the federal government, the provinces and the municipalities is very important, especially when there are municipalities the size of Toronto within which some two million people are living under a system of regional government. There are other municipalities in Canada of similar size, which means that in terms of population they are larger than some of the provinces. It is extremely important to maintain close co-operation with large municipalities of this kind.

If I may say something about the Toronto area and federal concerns in the field of urban affairs, I suppose the classic and most recent case is the proposed new airport to be constructed in the Pickering area. The history of this airport is quite well known but perhaps I could refer to it briefly for a minute or so. The House will recall that in the fall of 1968 the then minister of transport, the hon. member for Trinity (Mr. Hellyer), announced that the federal government intended to expand the area of Malton airport, increase the terminal facilities and also runway facilities so long as any land expansion in the area met with the approval of the people living in surrounding communities. That was the basis on which the minister's plans were presented.

Led by members of parliament from the area west of metropolitan Toronto, such as the hon. member for Lakeshore (Mr. Robinson), the hon. member for Etobicoke (Mr. Gillespie), who is presently Minister of State for Science and Technology, the then hon. member for York West (Mr. Givens) and the hon. member for Peel South (Mr. Chappell), the federal government was persuaded that an expansion of this area would be too detrimental to the people living in the surrounding district. This area was entirely built up to the west and south, and also somewhat to the north and east. After a great many consultations with the municipalities in the area, the federal government kept its promise and while it decided to considerably increase terminal and runway facilities at Malton it did not expropriate or acquire any more land in the Malton area.

[Mr. Weatherhead.]

• (2050)

During the last three years, about $80 million of federal money has gone into the Malton airport and into improving transportation facilities there. A new terminal is to be opened on July 1, I believe, of this year with much additional runway space to be completed at the same time. However, there is still great need for a second airport in the Toronto and southern Ontario region.

The federal government made an extensive search of potential sites in the southern Ontario region from Lake Simcoe past Hamilton toward Lake Scugoc in the east. With the co-operation of the federal government and the general desire of the provincial government, the site was finally located, as announced a week or so ago, in the Pickering area. Why was it located there? This is a project involving $350 million or so and, in addition, at least as much provincial money will probably be involved, before the project is over, through acquiring the surrounding land for commerial and housing purposes. It was placed to the east of Toronto in order to coincide completely with the provincial government. The Toronto centred regional plan—the blue book which the provincial government brought out in May, 1970—stressed that the area to the west of Toronto was being built up quickly and there was no need for further stimulus in that area. Instead, the provincial government would like to develop the area east of Toronto which had been going forward fairly slowly, comparatively speaking. I may say that the new ministry of state for urban affairs had considerable input, as it should have, in this particular decision.

The members of that ministry and the ministers themselves—the former and present ministers—were very strong in agreeing with the general concept for the plan for urban development in the Toronto area. They wanted to co-operate with the province in this regard because they thought it was by and large a good concept. Therefore, after considerable negotiation and some delay caused by the provincial leadership campaign and the provincial general election, we heard in the past couple of weeks the announcement of the location of the second Toronto airport. This was a joint announcement of the provincial and federal governments. They agreed 100 per cent with this particular location. I do not think there is any question that the second airport is needed, because the Toronto-southern Ontario area is the most populous area in the country. We are the business centre of the country. Also, because of the multicultural nature of so many of our people there is considerable air traffic between the Toronto area and countries in Europe.

I do not believe there is any doubt that the people in the region as a whole will be happy to see the airport develop. However, at this time I believe we must exercise great care in respect of the people in Pickering and the surrounding area who will be affected by the airport. Under the Expropriation Act passed a few years ago in this House, the people in this area, and indeed many others in

the country who have objection to a second airport, will be given the right to attend hearings particularly set up for this purpose, at which they will be able to argue as strongly as they wish that the airport should not be located in the Pickering area but somewhere else.

However, if the courts should rule that the governments concerned may expropriate the area in question, I believe it will be up to the people themselves, including their representatives and local members of parliament from the area, to make sure they receive the highest compensation the law will allow, not only for the land itself but for disturbance and moving expenses as well as anything else for which an allowance might be made.

There is no doubt that the airport in this region will create a hardship for many people in the Pickering area. If an airport in any part of southern Ontario is to be of any use to the people as a whole, it will be a hardship to the people located in that area. I believe the people will have every opportunity to present their full case to the boards or courts in question and will be treated very fairly so far as compensation is concerned.

What are some other federal projects of interest in the Toronto area which come under the general urban affairs connotation? We have the problem of commuter rail transportation to the Toronto area. As we know, in many cities in North America, and in many cities in Europe, commuter rail transportation to and from our large cities is quite a common occurrence. This, however, has not been the case in the Toronto area. Our people have been accustomed to coming into the city by and large by automobile; they have not used trains because train service has not been available. Under the aegis of the chairman of metropolitan Toronto, Mr. Campbell, a joint commuter rail study was set up in the spring of last year between metropolitan Toronto, the railways and the provincial government. This study involved, in considerable detail, an examination into the various options so far as rail service to the Toronto area is concerned. I understand this study is to be completed by May of this year and I trust the report will be made available at that time.

We, of course, have the same difficulties as other major cities. As the hon. member for Ottawa West (Mr. Francis) indicated, there is the difficulty of cars coming in great numbers into the downtown area and choking it. We may be able to use our excellent railway lines coming into the city in order to take some of the pressure off the highways.

We also have the question of the somewhat controversial metro centre project in Toronto. The federal government would be involved in the metro centre concept because the two Crown corporations would be quite heavily involved in the project if it proceeds. The CNR is a partner in the project with the CPR, and the CBC has a considerable interest in it. The CBC would like to locate its main transmission centre in that location and consolidate its other services in the Toronto area in this central location. The CNR and CBC, I understand, would look to the federal government for financial assistance to help them locate in the new metro centre area. As hon. members are aware, the city government has approved the plans and the provincial government has referred the metro centre plan to the Ontario Municipal Board for final determination.

The metro centre concept has come under attack from national groups, including the amalgamated group known as CORRA which is protesting some aspects of the plan. I think it is excellent that the ratepayers' group in particular is taking a direct interest in this plan which would change completely the downtown area, with heavy federal financial assistance. This should be considered carefully. It is interesting to note that on one hand the federal government will be heavily involved in the plan and on the other the federal government has in the past, through CMHC and other federal departments, financed CORRA is some of its activities. So we are seeing direct citizens' participation in this project. If the municipal board decides that the plan can go ahead, perhaps with some amendments, we will see great changes in the downtown area of the city.

• (2100)

I might mention the possibility of a dome stadium in the Toronto area and of the federal government being involved in such a project. Again, this is a controversial matter, a matter of federally-owned land in the Downsview airport area which might be made available by sale or, more probably, by lease to an organization or to a non-profit group for sports purposes. I could mention a number of other projects, but my time is rapidly terminating.

The Acting Speaker (Mr. Laniel): Order, please. I regret having to interrupt the hon. member, but the time allotted to him has expired.

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, if the remarks of the Prime Minister (Mr. Trudeau), made under mysterious circumstances on the weekend, have any truth to them, he would be the only prime minister in history who would go into an election campaign with a rather interesting statistic to lay before the people—that is, if this parliament lasts until next year into the fall and the government has gone its full five years plus. He would be able to say that over one million housing units have been built in his term of office, an impressive statistic but also one that has paradoxical disadvantages for the government because that sort of statistic would quite easily prove that the right hon. gentleman has not succeeded in establishing the merits of his so-called just society.

I shall proceed to explain the paradox in a moment, but first let me warm up with the reflection that housing has many economic ramifications. It is one of the largest single industries in the country; it is an enormous consumer of capital and resources and it is the livelihood of many professions and trades. It is also very much a social enterprise in that it supplies a commodity without which men cannot live in this climate. We all know what the great Canadian winter is all about, something to be endured and generally not enjoyed, and without which families cannot enjoy feelings or well being, security, dignity and social justice.

Housing is a necessity. Yet too often federal policies submerge this necessity or make it play a secondary role

to temporary financial and credit measures. In his interesting speech to the Canadian Conference on Housing in 1968, the English expert in this field, David V. Donnison pointed out:

—housing is too big a sphere of responsibility to be cornered by one department, and it could not be dealt with effectively if it was. Housing policies are a matter for governments as a whole, and many departments and levels of government—federal, provincial and local—must play a part in formulating and implementing them. The task is a complex and continually changing one which each country must pursue in ways that suit its own needs and resources.

We all recall the tremendous efforts that have been made in this Parliament over the years to get government to take even the timid step of appointing somebody as minister of one of these new state creations, let alone putting him in charge of a fully-fledged department of urban affairs as would be done very quickly under a change in the prime ministership of this country.

The former and first holder of that ministry has said that the government has been the driving force behind 750,000 new housing starts, yet a CMHC survey in 1970 revealed that less than 16 per cent of all new houses for sale in that year were priced at under $20,000, and the average that year was $28,614. Fewer than 7 per cent of Canadians can afford homes with that kind of a price tag upon them. That is where, as I said at the outset of my remarks, is the paradox of the just society which enters into the housing picture.

Let us examine further illustrations in this field. Let us take the statistics of CMHC and borrowings under the National Housing Act. In 1968, the lower income third of the population of this country took 6.5 per cent of the money available for housing, the middle income third took 49.4 per cent and the upper income third took 44.1 per cent. Two years later the figures in those three respective categories were 5.3 per cent, 54.2 per cent and 40.5 per cent.

If you want to show how rapidly the position of lower income Canadians has deteriorated in almost the last decade, note that in 1965 the lower income third share of the borrowings was 17.9 per cent, which shrunk to 5.3 per cent in 1970—an almost incredible statistic and an almost incredible indictment of the government in the housing policy that simply does not permit the little Canadian to have his share in home ownership. I think this is the most serious problem that could possibly be faced in the overall housing field.

Therefore I say that there must be a greater federal role in enabling home ownership for the lower income groups of Canadians. There are some provinces, namely Ontario, Nova Scotia and others, that are waging this battle to give the lower income Canadian his place in the housing sun. On several occasions I made the suggestion to the former minister that more had to be done by him and by his government. I give him fair notice that this plea will be followed up when he takes his statistics into one of the House committees for study. That is one area where a change must be made; but it is the most obvious one where a change of heart, a change of direction and a change of the money flow is needed.

Let us examine briefly some of the other points with which a Conservative administration would concern itself

[Mr. McCleave.]

in this very important field. One is the 11 per cent sales tax on building materials, one of the most iniquitous levies ever put on a social necessity. Also, we must realize that there are one million substandard homes in Canada, 250,000 of them in a state of serious disrepair. Leaving the centre of cities rotting until it is too late to do much about them, and then entering into costly clearing schemes, has simply proved to be an insufficient answer. A better cure, and one that is available, is a revamping of the home improvement loans plan.

• (2110)

The fourth thing that should be done is to provide greater tax incentives for the developers. The fifth thing that should be done is to make CMHC regulations easier for the man or woman who wants to live in rural Canada, to make it easier for that person to obtain mortgage financing. In my province there is only one company, privately owned, that does a real job in that field and one other company that does part of a job. Guess where the great, Crown lending agency fits in, Mr. Speaker? It fits in with the also-rans that really do no job at all. CMHC and housing policy must recognize the realities of rural living and needs.

Sixth, if one gets to the problem of growth in the cities and we accept the idea of designated growth areas, as some government departments have done, then surely CMHC and housing policies must recognize such growth concepts. That is why I mentioned earlier the absolute need for a housing policy that not only reflects an increased stature for this strange ministry that has been created in recent months but that will put some hair on its chest, if I may use that expression when speaking to the minister.

Mr. Guay (St. Boniface): That isn't fair.

Mr. McCleave: The hon. member for St. Boniface (Mr. Guay) has come alive.

Mr. Basford: Some people wish they had hair in other places.

Mr. McCleave: As my seventh point, I suggest putting hair on the chest of the department. The eighth thing that needs to be done is to establish a national urban council to work on and advise the government on a national urban policy. Perhaps the closest we have to that is the Community Planning Association of Canada. Last year it conducted a survey of people interested in urban affairs problems and came up with a six-point synopsis of the major issues. I wish to put them on the record, quoting from a brief that was submitted to the former minister of state for urban affairs:

1. That Canadians have a major concern for the future of their cities.

2. That Canadians are anxious to express their aspirations for the city but do not know how to do so.

This is a brief for Information Canada. This is a real challenge for them.

3. That Canadians are entirely convinced that government must listen to the citizen's viewpoint on urban affairs and that it must be able to utilize such a citizen input.

4. That, although Canadians are aware of the various levels of government, it is the local level (because of its immediacy) to which they relate.

5. That most Canadians demand a strenghtening of local government.

6. That Canadians, as citizens, are insistent upon their involvement in the development of a Canadian urban policy and that government provide for them to be so involved.

With the kind of attitude shown in that survey it is quite obvious that the government, and particularly this minister, are considered to be a long way from meeting the needs of our times. Further, Sir, to strengthen the need for the development of an urban national council to give advice may I make this argument briefly, one which I have made time and time again, namely, that it will be difficult for any government to solve the problem that is bursting upon us with almost frightening rapidity, that is, the growth of the megalopolis stretching from Montreal along the St. Lawrence Seaway to Detroit, Chicago and Milwaukee which by the turn of the century, and probably before then, will have a greater concentration of people than the Atlantic seabord megalopolis stretching between Boston and Baltimore. Those of us who have travelled through the latter area know that it is really one large city: you cannot tell one place from another except by the landmarks. It is an antheap of humanity crying out with problems concerning transportation, crime, housing, health—every type of problem under the sun—aggravated because people are living together in almost inhuman conditions.

That is exactly what is developing in Canada. And there is a lesson to be learned. How effective has the American federal government been in co-operating with the states and the huge cities that make up its megalopolis terrain area? At least we have an example to learn from, an example of what is happening. I suggest that the problems there have not really been successfully handled. From this example we can see the handwriting on the wall for the present government and the government that will succeed it. The federal government must do something, and do it quickly, to involve all levels of government in tackling this problem. This involvement perhaps may be harshly different from anything that has been attempted up until now. It is a problem that has to be solved, otherwise the Canadian way of life that we talk about so much will be no better than the American way of life, and perhaps we will be worse off simply because we have not been bright enough to learn from the experience that the Americans are undergoing.

The Americans have hang-ups about transportation in their crowded corridor. In this context it was interesting to hear the remarks made by speakers in this debate on transportation matters. For instance, the preceding speaker and others put in a thoughtful plug on a very serious matter indeed. All these things, transportation, housing needs, planning needs, health needs, the use of water resources and the fight against pollution—all those creations of a Frankenstein that should frighten hell out of any government—point out the necessity for a lot more zip, a lot more consideration by the government and by this particular minister with respect to something we are rapidly facing, a change in our Canadian way of life.

Federal Co-operation in Urban Problems

Mr. Joseph-Philippe Guay (St. Boniface): Mr. Speaker, we have heard—

Mr. Stanfield: Joe, I heard you were going to speak.

Mr. Guay (St. Boniface): It is indeed a pleasure to see the Leader of the Opposition (Mr. Stanfield) coming in here to listen. I appreciate that.

Mr. Paproski: Where is your leader, Joe? Is he crossing the floor?

Mr. Guay (St. Boniface): Mr. Speaker, I am addressing you but I repeat that my answer is "No" to any suggestion of the sort. Many members on both sides of the House have spoken about urban problems, about the problems of local governments. I do not think anyone spoke with any great experience of the actual problems facing local governments in various parts of the country. Some have probably made a study, and I would excuse the minister in this regard.

• (2120)

Mr. Stanfield: Why?

Mr. Guay (St. Boniface): I think many of the problems facing local and provincial governments have not been spelled out in detail. For years the Canadian Federation of Mayors and Municipalities have been making these studies, though not on a continuing basis, and have reported to the government. At the end of this month they will present a brief to the minister and probably will want to know if he has a different policy in regard to their requests.

Mr. Stanfield: Or whether it is the same old thing.

Mr. Crouse: The same old bunch, Joe.

An hon. Member: The same old bunch, and the same old speech.

Mr. Guay (St. Boniface): If anybody from the other side is going to say the same old thing, I do not have to hear them because once their leader speaks I know what they are going to say. Even so, he will stumble on that.

Mr. Crouse: Now, now, Joe; don't be nasty.

Mr. Guay (St. Boniface): Mr. Speaker, many hon. members from the other side used quotations from newspapers in their speeches and I want to follow their example. I refer to the brief dated April 26, 1971, which was presented to the government by the Canadian Federation of Mayors and Municipalities. They make representations from time to time and they are real contributions. At page 2 the brief reads:

—we must now set goals for a balanced socio-economic program, giving due importance to the quality of shelter, to open space and recreation, to health services, to conservation measures for water, air and other natural resources, to balanced systems of transportation for people and goods in and around urban areas and, not least in difficulty and expense, to the disposal and recycling of wastes.

They go on to give many details. Some hon. members who have spoken mentioned underground wiring, other

underground services and such things which are a requirement in any new development. In fact, they are necessary and should be provided as we go along so that we do not fact the same problems as were faced 30 or 40 years ago. But, Mr. Speaker, it does not matter how it is done, it is always the same taxpayer who pays the bill—the fellow who purchases the house or rents it. He has to pay for all the services, the schools and parks, whatever is provided. I agree with many things that have been said, and possibly lower rates of interest should be considered. One thing that should be considered once and for all is the elimination of school taxes, at least in my province. This would be a great change and would certainly help newcomers who are just going into housing and senior citizens who are moving into senior citizens' homes. The latter should not be paying the heavy cost of development and should get some relief from taxes.

Referring to an intergovernmental council on community development, the brief continues:

> Under conditions of increasing insecurity for the citizen, and in the face of threats of environmental deterioration, it is the local officials who feel the first impact of public concern. Mayors and councillors, being of the level of government closest to the people, are very often blamed and held responsible for programs and policies, or lack of them that originate at the federal and/or provincial levels. Many Canadian citizens claim they are the victims of economic dislocation, technological change and the kind of misallocation of resources that gravely threaten their standards of living. Local government has no choice but to demand a co-ordination of the efforts of all levels of government toward the attainment of economic growth and improvement in human well-being.

This is what the federation had to say last year. They also made some recommendations which I think are important, as set out at pages 4 and 5 of the brief as follows:

> 1. "areas requiring special measures" be redefined to rid us of the anomaly of the ineligibility of urban slums for federal-provincial financial assistance by virtue of their proximity to affluent suburbs. The principle of equalization which is the keynote of the Department of Regional Economic Expansion reflects the true character of Canada but its application leaves much to be desired. The deprived in Victoria suffer as much hardship as those in Halifax.
>
> 2. the current freeze on urban renewal funds be lifted immediately for programs of neighbourhood improvement—
>
> 3. the federal government pursue its objectives of creating a ministry of state responsible for urban affairs—

The brief continues:

> We are also concerned with the apparent intent to exclude non-urban communities from the anticipated trilevel consultations.

The concluding paragraph in that section reads:

> For these reasons we endorse the proposal for a trilevel forum—an intergovernmental council on community development—to provide for the free exchange of views by federal, provincial and local policy makers; a forum that would enable all governments to clarify their roles in providing leadership, direction and action in response to the real need of our citizens.

I think this spells out what local governments all across the country are concerned with, and I think they know the problems better than anybody else. They have often made good representations which possibly have been overlooked at times. When they make their recommendations at the end of this month, I hope due consideration will be given to them.

Mr. Stanfield: Hear, hear!

[Mr. Guay (St. Boniface).]

Mr. Guay (St. Boniface): I am sure this will be the case, because last fall the then minister of urban affairs said, as reported in the *Globe and Mail* of October 21:

> The federal government is willing to reduce its powers in the field of urban development, if that reduction leads to federal-provincial co-operation—

That is what the Leader of the Opposition was talking about this afternoon.

> —in the redevelopment of Canadian cities, urban affairs minister Robert Andras said in Montreal yesterday. He said in a luncheon address to the Canadian Real Estate Association annual convention that in effect this was what the federal government was doing in seeking new methods of working with the provinces.
>
> "For reasonable men, the answer (to urban problems) must lie . . . through consultation, the sharing of knowledge, and the commitment to seek new mechanisms of collaboration.
>
> And in this sense, by putting its urban policies and programs on the table for discussion, the federal government is, if anything, permitting a lessening of its powers rather than the reverse: seeking to intrude into an area of provincial jurisdiction."

He went on to make several comments along the lines on which I have been speaking tonight. I hope that the Federation of Mayors and Municipalities will continue to apply pressure when they present their briefs because I think we could benefit from many of their recommendations.

When the hon. member for Scarborough West (Mr. Weatherhead) spoke a short while ago he said, among other things, that consideration should be given to building a dome stadium in his area. I did not think I would be standing up tonight and saying that since the government is to build a second, multimillion dollar airport in the Toronto area, why does it not build a domed stadium for mine. Surely to goodness western Canada needs one or two facilities like that, Mr. Speaker.

• (2130)

Mr. Stanfield: Hear, hear!

Mr. Guay (St. Boniface): I should like nothing better than to see a domed stadium built in Winnipeg so that we could see all sorts of finals and football games in our area without being snowed out or rained under.

An hon. Member: What about Vancouver?

Mr. Guay (St. Boniface): An hon. member mentioned Vancouver. I thought we might begin where the west begins and go on from there. They did that with the railroad, by the way. Seriously, Mr. Speaker, I think a domed stadium should be considered for that area. Many other facilities might be considered. The point is that as was spelled out this afternoon the area municipality, in co-operation with other levels of governments, might solve some of the problems affecting the area. No matter whether proposed projects involve slum clearance, urban renewal, new development—call them what you will—all the citizens of the area and of the country will benefit if money is spent in that way. I think there is no better way of spending money than on programs which municipal governments at present most earnestly need. Those programs can be carried out in co-operation with provincial governments. If the minister—who is here—takes my representations into consideration as well as the represen-

tations which will be made to him shortly, he will go a long way toward meeting the demands of certain municipalities and we shall solve many of our problems to the ultimate benefit of all Canadians.

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, when I heard that the minister to whom we listened this afternoon had assumed the portfolio of urban affairs, I felt a degree of sympathy for him because of the awesome task that he had taken upon himself. The problems of the cities are formidable and growing ever more formidable as time goes on. Problems of unemployment, poverty, housing, pollution, financing, as well as many more, call for Herculean efforts of leadership if there are to be solutions.

As I listened this afternoon to the smooth-flowing discourse of the minister, I realized once again that what this government says and what it does are worlds apart. Indeed, the minister's speech made me realize that the policies of this government are made by comfortable people for comfortable people who delude themselves into thinking that while there may be a few unemployed, sick or handicapped people around, with a little more effort on their part they could join the ranks of the affluent instead of allowing themselves to depend on the taxpayer for social assistance.

The minister waxed lyrical over our urban possibilities and over the opportunity to "create a society of exceptional excellence" in Canada, yet he overlooked the need to take the first urgent steps to that end. One of the most urgent of those is the matter of housing for low-income people in the big cities, although rural areas have also been shamefully neglected. He boasted of what he calls the government's colossal housing program and of the number of housing starts in 1971. I ask, housing starts for whom?

Less than 10 per cent of housing starts in 1971 were for subsidized public housing. That is the only kind of housing the poor can afford. Long lines of them wait patiently for clean, warm shelter while the National Housing Act serves those who are in less need of help. The National Housing Act was supposed to help people on low income. What are the facts, Mr. Speaker? As the hon. member for Halifax-East Hants (Mr. McCleave) said, in 1970 the lowest income third of families borrowing under the National Housing Act amounted to only 5.3 per cent of the total. These were people with incomes of up to $7,000. So we have a National Housing Act that under this government's policy provides almost 95 per cent of its resources for the service of people with incomes of $7,000 and over. The other 5 per cent of resources go to those with incomes of under $7,000. Clearly, the poor get only the crumbs.

The minister may say all he likes about research into housing, new products and new ways of doing things. The fact remains that those on low income are getting the short end of the stick and are very likely to continue doing so. And it is a very short end indeed. The only satisfactory way to provide for the needs of the poor is to provide them with income.

Mr. Speaker, income and options go together. When those who are poor can get income and the means of earning it, they can and will decide on the kind of place in which they want to live; and it will not be a high-rise, urban ghetto. There are already far too many of these areas in Canada.

In January of this year a four year-old boy was fatally injured when he fell from a seventh-floor balcony in Toronto. He was still conscious when his mother picked him up. He was crying, "Mummy, Mummy." He died three hours later. That was the seventh time this year a child has fallen from an upper storey window or balcony in metropolitan Toronto. Studies have shown that housewives and children living on the upper floors of high-rise buildings are far more prone to illness, physical and nervous, than those living near the ground.

Meanwhile, until poor people cannot obtain the kind of income that will enable them to get the kind of housing they want, let me urge upon the minister that every sort of public housing ought to provide adequate play-spaces and facilities, both indoor and outside, and that there should be child-care facilities either in the project or in a community centre nearby. The minister knows Vancouver very well. He knows the need is there and he knows it is not being met. I urge him to use the National Housing Act and make the provision of such facilities mandatory.

Mr. Basford: Well, what did we do at Reilly park?

Mrs. MacInnis: Mr. Speaker, one swallow does not make a summer, and one raindrop does not make a rain-shower.

Mr. Basford: What about Britannia? We spent half a million dollars there.

Mrs. MacInnis: Did the minister mention Raymer?

Mr. Basford: Britannia.

Mrs. MacInnis: Because if he did, let me remind him that the people there had to fight like fury to make sure their children were able to go to school without the danger of being run over by trains on the way.

An hon. Member: The government is still crowding people into ghettoes.

Mrs. MacInnis: I suggest that the minister explore the possibility of introducing a number of low-income families into co-operative housing developments, such as is being done now in the De Cosmos village co-operative project in the Vancouver area. Let them enjoy the fresh air and decent surroundings of such a project. The low-income families that went to the De Cosmos village project were very happy over the prospect. Actually, they were overjoyed at being able to get away from the stigma that is attached to the residents of ordinary low-rent projects.

Every report we get from every committee and authority concerned with urban problems stresses the need of adequate income for those who are poor. Enough income means a chance to live in modern, well planned neighbourhoods, a chance to get away from the heavily congested core areas and a chance to give their children an opportunity to associate with other children free from the stigma of poverty and insecurity. And, Mr. Speaker, that is a very real stigma in the minds of people receiving social assistance or on low income.

An hon. Member: Especially in the minds of the young.

Mrs. MacInnis: We are beginning to realize the social costs of keeping poverty. The Lithwick study refers to the way in which women heads of families are rendered particularly immobile because we have no day-care system to help them. The elderly, the handicapped, the unemployed and chronically ill are chained remorselessly to their situation by lack of income. They are chained with all the cruelty of chains in a medieval dungeon. Their options are non-existent and their numbers are growing. If the minister will not use the National Housing Act to provide day-care facilities in each project or, where that is not desirable, in community centres nearby, he should do something which would cause his name to be inscribed on bronze plates around Vancouver. I would take pleasure in seeing that he got one or two.

• (2140)

What about the dollars and cents cost of keeping poverty? The welfare system at all levels costs the Canadian taxpayer more than $6 billion a year. The Senate Committee on Poverty said:

> The welfare system, at all levels, costs Canadians more than six billion a year, yet it has not significantly alleviated poverty let alone eliminated it. The problems grow; costs go up and up and will, in time, suffocate the taxpayer. The welfare system is increasingly unable to deal with the needs of its clients. It has failed to acheive its humanitarian goals. It deprives its recipients of dignity and provides no incentive or rewards to escape from poverty. It has become punitive and demeaning. It is a mess—a social wasteland and an economic morass.

So much for the Senate Committee on Poverty. Poverty is a waste, an intolerable frustration and a soul-destroying torture to those caught in the morass. We can no longer afford it. The only way to wipe it out is to provide income for the poor. All the housing reports say so, a decent income based on the cost of living index and rising with it. Along with this must go opportunities for useful activity in the community according to the measure of one's ability to serve.

My earnest suggestion to the minister is that he approach his colleague the Minister of Finance (Mr. Turner) and any other colleagues necessary with a view to finding ways and means of building an income floor beneath which no Canadian will be allowed to fall. In my view, this would be a major step in dealing with one of the most serious urban problems, the problem of poverty and insufficient income. It would lighten enormously the burden of the minister in dealing with other urban problems if he could make a frontal attack on this core problem of poverty. It is not going to stay in the core; it will spread in ever-widening circles to get people enslaved.

There is also the problem of urban traffic. I feel sure that in his heart the minister knows we should now consider the moving of people rather than providing endless transport facilities for cars. I feel certain he realizes that to divide and destroy neighbourhoods by great, noisy freeways is to move away from the dreams of a society of exceptional excellence. The remarks of the minister at various times in Vancouver have shown that he is aware of a rising feeling in the community, that what is immediately required is not a third crossing of Burrard Inlet which would benefit only a limited number of citizens, but a well planned system of rapid transit which would serve the whole metropolitan area. Why then does he not involve himself as Minister of Urban Affairs? He must involve himself because some of his colleagues are taking the opposite side of the coin and saying that we must have a third crossing of Burrard Inlet. They say this must be the first priority. The minister owes it to the people of this country to take the initiative and say where he stands.

The minister has talked of the need for rapid transit. He has indicated that even though a certain portion of the population wants a third crossing, Ottawa should not be content to give a grant for it but should use it for rapid transit if the majority wants that. Why, then, as Minister of Urban Affairs can he not become involved and take the initiative in getting that rapid transit system instead of the third crossing?

The minister has talked of the need for tripartite consultation and planning in these matters. Let him now take the initiative and convene a meeting of the other levels of government to discuss the best course to follow from the standpoint of the whole community rather than that of special groups and interests. I am sure that such action on his part would be infinitely more impressive than hours of talk about the need for co-operation.

If the minister announced that he was seeking the co-operation of provincial and municipal authorities for this purpose, I am sure that neither of those levels of government would dare refuse him a meeting. If he does not do that, he is open to a charge of fence-sitting and staying clear because he wants to stand well with certain groups and interests. He can smile pleasantly and look like the smiling Buddha all he likes, but the people are likely to discover that smiling Buddha is not what they need right now. They want a man of action, a man who will act in the interest of the whole community of Vancouver, someone who is not afraid even if he is called a hamburger by the head of the city or runs the risk of being called a bigot by the premier of that province. I do not know the danger in that regard.

In my view, in addition to tripartite consultation there should be a fourth level, those interested community groups which are becoming the counterweight to the pressures of special privilege which exist on every hand. We discovered the value of such volunteer community groups during the debate of the Canada Water Act when the efforts of anti-pollution groups all across Canada succeeded in stopping the great detergent companies from continuing to ruin the waterways with high concentrations of phosphates. In that instance, the then Minister of Energy, Mines and Resources was exceedingly glad of the pressure of those volunteer groups which helped to get the anti-phosphate provision into the Canada Water Act.

This minister can, if he will, discover the value of such voluntary groups in the stiff battles that lie ahead to preserve and improve the quality of urban environment. He should welcome the pressures which have fought for things like keeping the quality of the environment in the entrance to Stanley Park and preventing such horrors as the Four Seasons which would block the entrance to Stanley Park, cut off the view and make the traffic far more contested at that point that it would otherwise be.

Mr. Basford: I fixed all that up last week.

Mrs. MacInnis: The minister may have fixed all that up, but will it stay fixed? Mr. Fix-It may have fixed it for a while, but he is no white knight on a white charger coming to clean up things in the way the advertisers claim. Ajax will not work without public opinion and public organization behind him.

As I say, this minister can, if he will, discover their value in the stiff battles ahead to preserve and improve the quality of urban environment. Problems like air pollution, industrial and domestic waste, the proper use of land, the saving of recreational areas and many others can be solved satisfactorily only with the co-operation of all levels of government plus the growing strength of well organized and well informed community groups. The minister is well aware of this. He also knows how to take advantage of those groups when there is pressure, if he wants to do the job. I hope he wants to do it.

Looking at the unplanned chaos of our great cities, we are becoming aware that unless something far-reaching is done soon the whole population is headed for serious trouble. It is in the cities that we see the full impact of poverty and pollution, the effects of bad housing and an unwholesome environment on whole areas of chronically unemployed people, their families, the unskilled, poorly educated, crippled, aged, one-parent families the idle young people, thousands of individuals doomed to struggle uselessly in the trap of poverty, condemned to raise their children there and in turn watch them struggle vainly to escape, only to subside into frustration and bitterness or to gamble desperately with law breaking and revolt. One can look at the great cities south of the border to see what happens when cities get bigger—the numbers of poor people increase and nothing adequate is done about it.

If the home is to be the cradle of citizenship, let the Minister of Urban Affairs take as his first priority the giving of leadership in the building of homes and neighbourhoods fit for the future citizens of this country, beginning with those whose need is the greatest, the people with low incomes. Let him not rest content until every Canadian has enough income to lift himself or herself out of poverty and enough opportunity to contribute something of value to the Canadian community. Let him not take refuge in quoting statistics which tell only part of the story. Let him get busy and make statistics of his own, figures which can stand the light of day and which can be divulged without fear of the consequences to the government.

• (2150)

Mr. Knowles (Winnipeg North Centre): Ten o'clock.

The Acting Speaker (Mr. Boulanger): Shall I call it ten o'clock?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Boulanger): It being ten o'clock, it is my duty to inform the House that pursuant to Standing Order 58(11), proceedings on the motion have expired.

Proceedings on Adjournment Motion

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I rise on a question of privilege before I address myself to the subject of the adjournment debate.

The Acting Speaker (Mr. Boulanger): Order. The hon. member knows that in connection with the debate on the adjournment, no question of privilege can be raised.

Mr. Paproski: Thank you, Mr. Speaker. I wished to draw to the attention of this chamber the presence of two distinguished guests from the University of Arizona, Mr. and Mrs. Johnson, who are with us tonight having travelled all the way from Tucson just to watch our proceedings in the House.

The Acting Speaker (Mr. Boulanger): I agree that we have distinguished guests, but in order to keep the record straight may I say this was not a question of privilege.

PROCEEDINGS ON ADJOURNMENT MOTION

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

HIGHWAYS—TWINNING OF TRANS-CANADA HIGHWAY—ALLEGED DISCRIMINATION AGAINST YELLOWHEAD PASS ROUTE

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, on March 8, as reported at page 638 of *Hansard*, I directed the following question to the Minister of Public Works (Mr. Dubé):

> Would the minister please advise the House why his department made the decision to twin the southern part of the Trans-Canada Highway in Alberta leading to Banff and discriminate against the Yellowhead Trans-Canada Highway which is the northern counterpart.

Although briefs have been presented by the interdepartmental highway and road co-ordinating committee to the Minister of Transport (Mr. Jamieson) and to the former minister of public works, I find the government playing politics and spending money twinning the Banff-Jasper highway while forgetting to upgrade the Yellowhead highway to trans-Canada standards so that other communities might enjoy a new recreational, commercial and industrial communications corridor. This highway will have a great bearing on the future development of Canada as a viable and expanding nation. It will play a vital role in the development of the vast areas of natural resources it serves, and the efforts which have been expended on the roads to resources program by all levels of government will bear this out.

The minister should be made aware of the tremendous difficulties being presented at this time in connection with the route which was accepted as the trans-Canada route, particularly through the Rocky Mountains section of that highway in Alberta and British Columbia where, due to heavy snowfalls, the danger of avalanches is always prevalent during the winter months. This, combined with high railway transportation costs which result from these unfavourable conditions, presents an economic picture

which must affect not only the transport facilities available to Canadians but the development of our export trade.

The key to the Yellowhead route is that it takes advantage of the finest pass in the Canadian Rockies at an elevation of some 2,000 feet less than that of Rogers Pass. At its highest snowfall level, this route experiences less than 50 per cent of the snow recorded on the other route over a long period. Climatic conditions along the two routes vary widely. The most undesirable of climatic conditions affecting motor travel is doubtless snowfall and its accompanying hazards. Along one path of the Yellowhead the most severe snowfall occurs at Blue River, approximately 146 miles northeast by road from Kamloops where an average 159 inches falls annually over the long term. Secondary to this, the average annual snowfall at Red Pass, some 42 miles west of Jasper, is 137 inches. These two spots represent the only two major areas where snowfall is significantly greater than would be encountered across the Prairies. At no point along the entire route is snowfall heavy enough to present the danger of an avalanche. Thus, the danger of snowslides does not exist along the Yellowhead.

This is not the case, however, along the Rogers Pass section of the trans-Canada highway. Rogers Pass experiences one of the highest recorded annual snowfalls in Canada. The long-term average is 370 inches per year. Further, even at Lake Louise, only 50 miles or so into the Rockies, snowfall approaches 200 inches per year, greater than at any point along the Yellowhead route. Road closures due to avalanches or to the danger of avalanches are a frequent occurrence along the southern route, seriously hampering the scheduling of passage of vehicles using it during the winter. An analysis of the statistics makes it obvious that on a year-round basis, due to elevation and grades, and on a seasonal basis due to snowfall, the Yellowhead route is not just an alternative route between the Prairies and the coast: it is, indeed, a much superior one.

Mr. Gustave Blouin (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, I am pleased tonight to answer, in the name of the Minister of Public Works (Mr. Dubé), the very talkative member for Edmonton Centre (Mr. Paproski).

Mr. Dinsdale: Articulate is the word.

Mr. Blouin: Here is the information I have obtained. The trans-Canada highway through Banff National Park was financed and constructed by the Department of Public Works originally as a two-lane facility, the majority of the work being done during the 1950s. With the completion of the trans-Canada highway through Rogers Pass to Revelstoke and with the increased tourist activity, traffic volumes increased considerably.

• (2200)

Mr. Dinsdale: That was in 1962.

Mr. Blouin: I suppose it was previous to the time you were minister. Extensive traffic studies were carried out by the department which indicated conclusively that there was need for a four-lane facility from the east gate of Banff to mile 47, and that recognized warrants for such a facility were greatly exceeded. The large traffic increase was compounded when the province completed its section from Calgary to Banff east gate as a four-lane facility. It should be noted, however, that under the trans-Canada highway agreement Canada shared in the original construction of a two-lane highway on this section but the later improvement to a four-lane facility was planned and financed solely by the provincial government. Thus, the decision to twin the trans-Canada highway from the Banff east gate westerly was based purely on need and there was no discrimination against any other highway.

I am glad to have been able to supply this information to the hon. member for Edmonton Centre, and there is more detail that could be made available to him if he wishes it.

Mr. Paproski: What about the Yellowhead route? You have said nothing about the Yellowhead route.

Mr. Blouin: I have the information here.

The Acting Speaker (Mr. Boulanger): Order, please.

DRUGS—REQUEST THAT FURTHER REPORTS OF LE DAIN COMMISSION BE WITHHELD PENDING INCLUSION OF CAUTIONARY FOREWORD

Mr. H. E. Stafford (Elgin): Mr. Speaker, the Le Dain interim report of May, 1970, and the latest part of the report entitled "Treatment" have many well documented errors and inadequacies. These are the product of bias and incomplete research. I suggest to this House that we must insist that the expected publication and distribution of the Le Dain commission's forthcoming major study on cannabis be withheld from public distribution until a team of leading Canadian medical scientists has examined it carefully.

Ten prominent Canadian doctors proposed this measure in a Canadian Press statement of October 14, 1971, to the Prime Minister (Mr. Trudeau) and to the federal and provincial ministers of health and welfare, and justice. "Silence must end," they said, denouncing the interim report of the Le Dain commission. "In our judgment, the Le Dain commission showed both bias and social and scientific irresponsibility" in some of the evidence presented, while "evidence of the harmful effects of this drug, cannabis, was buried under hundreds of pages so that no clear warning could be derived by an uncritical reader". The signers included the former head of the Canadian Psychiatric Association and doctors associated with six prominent Canadian universities and hospitals.

I also have a 70-page study of the interim report prepared by Dr. Fred Lundell, eminent practitioner, associate professor of psychiatry at McGill University and head of a hospital drug research team, which criticizes the interim report in these words: "The studies selected for discussion were highly edited and hardly current" and, further, "Serious reactions—to cannabis—do occur with greater frequency and more severe consequences than suggested in the report".

Dr. Conrad Swartz, prominent drug research specialist and chief psychiatrist at the student health centre, University of British Columbia, in his study of the interim report

cites an example where the report "omits some of the prime statements of the 1968 British commission study entitled 'Cannabis' which would discourage any suggestions that cannabis be legalized".

Dr. Andrew Malcolm, a well known practising psychiatrist of Toronto, who has devoted the past ten years to a study of the illegal use of drugs as a senior officer with the Ontario Addiction Research Foundation, gave to the Canadian Press and the Canadian Medical Association on January 31, 1972, a detailed analysis of the first volume of the Le Dain commission's final report entitled "Treatment", followed by a highly detailed medical criticism of chapter VI of the treatment report on February 20, 1972. Admitting that the treatment report contains much information that is perfectly acceptable, it is, he states, "frequently out of date; it contains a staggering amount of misinformation; its proposals are often misquoted and unrealistic". Dr. Malcolm then detailed 22 major and minor errors.

Equally serious is the February 14 Canadian Medical Association's press statement about the treatment report. After mild praise and acceptance of some recommendations, the CMA statement makes the startling request "that the federal government consider attaching a letter to the report to bring it up to date and to make the important corrections that are required" before sending it out to Canadian doctors and medical institutions.

Imagine the implications when medical experts say we should correct the Le Dain report before sending it out for doctors to use as a "manual of treatment" on Canadian citizens! I am informed that proper information was available to Le Dain in ample time to have been included in the manual. This is inexcusable. The British Columbia Medical Association in a statement to the press on March 10 said:

> In our opinion the section on short-term medical management contains so many confusion and questionable points that its distribution to physicians, hospitals and agencies in its present form would only tend to destroy the credibility of the commission in the eyes of many professionals. We request that this chapter VI of the report be not sent to physicians in British Columbia until either it is rewritten or accompanied by a detailed list of corrections of the points which we and others have noted.

It further added:

> We are concerned at the rather casual approach in this document to LSD and cannabis.

I am informed that certain other provincial medical associations are equally critical and will soon make their reports public. These documents, and the one to come, cost the Canadian taxpayer $3 million. The British Columbia Medical Association also strongly criticized Le Dain for not making use of the important work of Dr. Andrew Malcolm. I am disturbed that immediately following his public criticism of the Le Dain treatment volume, Dr. Malcolm was fired on one day's notice by the Ontario Addiction Research Foundation, after ten years' service, on the grounds of budget requirements. The March 10 edition of the Toronto *Sun* states the firing "was the latest in what critics claim is a dispute over the foundation's alleged tacit support of legalizing marijuana."

In view of the Commission's bad track record in its first two publications, I fully support the insistence of the ten eminent Canadian doctors when they say:

> Our most immediate and grave concern is the possibility that the Le Dain commission may publish a highly permissive fact-hiding and vacillating final report similar to its interim statement of a year ago. Like other commission reports it would be freely available throughout the country and as with the interim report, readership would be promoted and encouraged in some cases by government departments.

And further:

> Should the document fail to identify clearly the harmful effects of cannabis use, immense pressures would be created, especially on youth, to increase use of the drug.

It goes on:

> If it is placed before the public it must contain a clear and unequivocal statement by the Minister of National Health and Welfare pointing out the extremely serious problem which arises from the taking of soft drugs and the necessity of abstinence at this stage of our knowledge and experience.

For example, the month-old study of the National Institute of Mental Health, reported in the February 28, 1972, edition of U.S. News and World Report, warns, as do the ten doctors, that women of child bearing years would be unwise to use cannabis due to abnormalities found in a few children born of marijuana-smoking mothers, possibly due to the drug and also from experiments with rats which demonstrated serious deformation of offspring as reported in the statement of the ten doctors.

I have also been informed that the so-called leak of the United States President's Commission on Cannabis which appeared in the February 28, 1972, edition of *Time* magazine does not properly represent the findings of the commission, which are to be published in Washington in late March. To further support their concern, the ten Canadian doctors strongly condemn the recent commission on youth report prepared for the Secretary of State for its "inexcusably dangerous claim" that, in the words of the youth commission, "soft drugs are relatively harmless or at least so they seem in the absence of any medical evidence to the contrary". The doctors point out that large amounts of available research suggesting harmful effects are available.

What happened to this youth report? Thousands of copies were distributed across Canada by the Secretary of State's department, including Information Canada. I have a newspaper published by the Canada YMCA last fall called, "It's your turn". It was distributed to all its branches across Canada calling on youth to buy and study this youth report, with special emphasis on its inexcusable drug recommendation and calling on youth to write to the Secretary of State encouraging him to pass laws supporting youth demands.

I therefore implore the government to withhold the public presentation of the cannabis report of the Le Dain commission until a team of appropriate medical experts has examined it. On the team must be Dr. William Craig, head of research for the Department of Health, as well as Drs. Swartz, Malcolm and Lundell. If their findings warrant it, an appropriate, cautionary foreword should then be written warning all readers of the biases, inaccuracies and incomplete information and advising them of the danger of soft drug use in the light of our present incomplete knowledge. Such action would be one of responsibility toward one of the most vital social problems of the day. If soft drugs are not harmful, we should not restrict

their sale. If they are harmful, the law should contain certain restrictions.

Mr. Jack Cullen (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, in his question of March 9 the hon. member for Elgin (Mr. Stafford) asked the government to withhold publication and distribution of the next report on cannabis until it has been carefully scrutinized and a proper precautionary foreword prepared by a team of medical experts. In his submission tonight the hon. member has re-emphasized the position he took at that time.

• (2210)

The commission of inquiry into the non-medical use of drugs will shortly make public its final report on cannabis. It does not seem to us to be in the public interest to delay publishing the report on such a controversial subject.

On such an important matter involving the health of so many Canadians, the minister and his department would be expected to consult, if necessary, members of the medical profession and would also rely on the collaboration of those national bodies specializing in the health care of Canadians. The final report on cannabis will be made public in the near future and, as in the case of so many other reports of this kind, interested bodies will certainly make their views known. Surely that is one of the points of financing such a report. The government will also study very carefully the recommendations of the commission before taking any action.

In order to reassure the hon. member I would like to refer him to the example of the statement of the Minister of National Health and Welfare (Mr. Munro) of February 24 on government action to control abuse of methadone and amphetamines. The hon. member will see the extent to which the minister went in consulting the medical profession.

Finally, the hon. member should remember that the commission itself has been consulting over the last two years dozens and dozens of experts in the field of the non-medical use of drugs and has received a great number of briefs from interested groups and individuals. A glance at the interim report and the treatment report will show the hon. member the seriousness of these studies.

VETERANS AFFAIRS—ALLEGED DISCRIMINATION BY HEALTH CLUB AGAINST VETERAN WITH WOODEN LEG

Mr. Lorne Nystrom (Yorkton-Melville): On February 29, as reported at page 357 of *Hansard* I asked the Minister of Veterans Affairs (Mr. Laing) whether he would investigate the incident of discrimination against an Ottawa veteran. To that he replied:

> Mr. Speaker, I would doubt very much that interference on my part or on the part of the Department of Veterans Affairs would be very helpful in this particular case.

Not being satisfied with the answer, I am now pursuing the matter on the "late show" this evening. I think that a case such as this incident should be investigated by the Department of Veterans Affairs, and if not by them by the Department of National Health and Welfare which has some interest in health clubs, or by the Department of Justice, because in my opinion this is a case of pure discrimination on the basis of the physical disability of a person who lost a leg in the Second World War.

The facts of the case are pretty well known, but I want to give a brief history of them tonight. Harold Mullins is an Ottawa veteran who lost his leg in the Second World War. In April of 1967 he joined the Carlingwood branch of the Ottawa, Vic Tanny's health club. A year later he bought a life membership and in total spent $500 in membership fees for himself and his wife. Vic Tanny's knew when Mr. Mullins purchased his membership that he was an amputee: he did not try to hide it. Mr. Mullins is quoted in newspapers as saying:

> The first thing I told them when I signed up was that I had an amputation. My disability was discussed at the time and the fellow that sold me the membership said in my case it didn't matter.

Mr. Mullins then used the facilities, I am told, on an average of about three times a week. He had no problem with the facilities, he used most of them, and this is vouched for by members of the club to whom I and those in my office have spoken. His membership was revoked by Vic Tanny's because, as they said, he did not meet certain regulations outlined by the club. Mr. Mike Mundy, Ottawa director, said, as reported in the Ottawa *Journal* of March 23, that the decision was prompted by the regulation requiring members to have all four of their limbs. He said:

> —we have nothing against amputees. We simply were not covered by insurance.

I decided to investigate the case, and on March 9 I telephoned Mr. Mundy's office. He referred me to the general manager of Vic Tanny's at Toronto, Mr. Leizer. The general manager in Toronto told us that insurance was not a factor, and he did not refer at all to the regulation that a person should have four limbs to participate in his club. As a matter of fact, we are quite sure of the reason he did not refer to it. I have here a contract signed by Mr. Mullins when he joined Vic Tanny's and it states quite clearly that a person with his type of disability can participate in the club. The only part of the contract that refers at all to a disability is paragraph 6, and I want to put this on record:

> Buyer and member warrant, represent and agree that member is in good physical condition and that he has no disability, impairment or ailment preventing him from engaging in active or passive exercise or that will be detrimental or inimical to his health, safety, comfort, or physical condition if he does so engage or participate.

The type of disability Mr. Mullins had would not have prevented him from participating in activities at this particular club. The general manager of Vic Tanny's health club in Toronto said that his membership was revoked, not because of the regulations but because it would be very hazardous for a disabled person to get around the club. He said there were "steps leading to the various facilities". He offered to fly to Ottawa to show me around the club. This was unnecessary, Mr. Speaker, because I and my office had already talked to club members who had said that this was not the case and that there are no steps once you get into the club.

Why, then, was Mr. Mullins' membership revoked? From our investigation we see that the reasons originally given by the club were not valid at all. Instead, it appears to us that officials of the club panicked after a certain incident occurred. We are told by Mr. Mullins and by other people that on February 8 a 70 year-old amputee died of a heart attack after swimming in the pool in the club in Ottawa. That very evening Mr. Mullins was told that he would have to hand in his membership card in order to prevent a repetition of such an incident. It was at this point the club decided that Mr. Mullins could no longer participate. There is no relationship at all, I suggest, between amputations and heart attacks. In fact, the 70 year-old gentleman who died that day had a long history of heart condition.

On the other hand, Mr. Mullins is fit and healthy. Even though his leg is amputated below the knee, last summer he bicycled eight miles to work from his home in Aylmer. He is active and participates in swimming and weight-lifting. There is no reason for his membership to be revoked. This is why I am asking the government to investigate the case because this type of thing should not happen in our country.

The fact that his money has been refunded is not the point. Because of certain pressures, Vic Tanny's have refunded his money. He wants to be reinstated in the club. He does not want this type of incident to happen to other veterans or to other people who have physical handicaps of this nature. Mr. Speaker, there should be regulations to protect people from this type of discrimination. I would like to encourage the veterans of the country to protest against this type of discrimination. I am looking forward to a reply from the minister, and I hope that something can be done.

Mr. Lloyd Francis (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, I have listened with considerable interest to the statement of the hon. member. Without question, the individual concerned is an employee of the Department of Veterans Affairs. He is a man in good physical condition who prides himself on his regular program of exercise and he is a well regarded citizen of the community. In the circumstances, I cannot help but feel that the incident is deplorable in the extreme. However, I would like to point out a few facts so far as the government's position is concerned.

There is a contract between the individual and the particular club. That contract was referred to by the hon. member in his statement tonight. The contract is the basis of his claim against the club. I think there is sufficient reason for his wishing to consult his private lawyer in terms of the contract and whether or not it was breached. So far as the government is concerned, however, I am not aware of any basis on which the government can act on what, on the face of it, is the matter of a private contract.

• (2200)

As I have said, however reprehensible the policy of the club is, it does not appear to be a basis for intervention by the government. I believe that the publicity associated with the case has, in the sense of public interest, been good publicity. As was indicated, Vic Tanny's refunded the full membership fee and the individual had used the facilities for some time. It appears to me that this matter involves a private remedy. There is a clear contract, and I think the individual could consult his solicitors and take appropriate action in the courts.

Motion agreed to and the House adjourned at 10.22 p.m.

HOUSE OF COMMONS

Tuesday, March 14, 1972

The House met at 2 p.m.

ROUTINE PROCEEDINGS

FINANCE, TRADE AND ECONOMIC AFFAIRS

First report of Standing Committee on Finance, Trade and Economic Affairs—Mr. Kaplan.

[*Editor's Note: For text of above report, see today's Votes and Proceedings.*]

* * *

HOUSE OF COMMONS

ALLEGED WIRETAPPING AND UNAUTHORIZED OPENING OF MAIL TO MEMBERS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Jerry Pringle (Fraser Valley East): Mr. Speaker, I rise under Standing Order 43—

Some hon. Members: Hear, hear!

Mr. Pringle: —to propose a motion of urgent and pressing necessity. Last week, over the weekend and, indeed, as late as yesterday there have been suggestions and claims that the telephones of some members of parliament have been tapped and that mail addressed to some members has been opened without their authorization. These claims cannot help but cause suspicion in the minds of the general public and therefore can hinder members in performing their duties. It is most important that this matter be investigated—

Mr. Speaker: Order, please.

Mr. Pringle: —so that members can carry out their work without any doubts or suspicions about security.

Mr. Speaker: Order, please. If the hon. member has a motion he should put it to the House now without argument.

Mr. Pringle: Thank you, Mr. Speaker. I am only taking my lead from my friends in the opposition. Therefore I ask leave of the House to move, and I do move, seconded by the hon. member for Thunder Bay (Mr. Penner):

That the allegations concerning wiretapping and opening of mail of members of this House be referred to the Standing Committee on Privileges and Elections.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. This motion is made under the terms of Standing Order 43. It can be put to the House only if there is unanimous agreement.

Some hon. Members: Agreed.

Mr. Speaker: I will therefore put the motion. Mr. Pringle, seconded by Mr. Penner, moves:

That the allegations concerning wiretapping and opening of mail of members of the House be referred to the Standing Committee on Privileges, and Elections.

Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion (Mr. Pringle) agreed to.

* * *

• (1410)

TRANSPORT

IMPACT OF FREIGHT RATES ON MARITIMES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I rise under the provisions of Standing Order 43 to ask leave of the House to move a motion on a subject of urgent and pressing necessity. In view of the government's announced intention of reducing regional disparities in Canada, and in view of the fact that increases in freight rates have the effect of further weakening the competitive position of Maritime industries vis-à-vis the rest of Canada, I move, seconded by the hon. member for Dartmouth-Halifax East (Mr. Forrestall):

That this House instructs the Minister of Transport to appear before the Standing Committee on Transport and Communications at the earliest possible date to discuss plans for an immediate reduction in the freight rates which have such a deleterious effect on the Maritime economy.

Some hon. Members: Hear, hear!

Mr. Speaker: This motion is also proposed to the House under the terms of Standing Order 43 and requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity and the motion therefore cannot be put.

Mr. Bell: What have they got to hide over there that they cannot give us a break?

Inquiries of the Ministry

ORAL QUESTION PERIOD

THE CANADIAN ECONOMY

REASONS FOR DROP IN LABOUR FORCE GROWTH—MEASURES TO STIMULATE INVESTMENT BY INDUSTRY TO CREATE JOBS—GOVERNMENT OBJECTIVES FOR 1972

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Finance arising from the drop in the labour force between January and February, the largest reported in the history of Statistics Canada. Is the minister commissioning any inquiry into the reasons for this? For example, is he having any study made to see whether this may have been partially caused by the new tax laws that have gone into effect?

Hon. John N. Turner (Minister of Finance): I do not accept that suggestion, Mr. Speaker. The figures speak for themselves. I derive some encouragement from the latest figures, but that is small comfort for those men and women seeking work. As I have suggested to the House earlier, statistics are no substitute for the human problems of unemployment.

Mr. Stanfield: I quite agree but I wondered whether the minister might make some inquiries as to the cause for the drop in the work force.

Mr. Guay (St. Boniface): What did you do with Rock today?

Mr. Stanfield: In view of the fact that the increase in employment recorded between January and February is about average, and despite the fact that the local initiatives program presumably created some thousands of temporary jobs during that period, is the minister considering any measures to stimulate the rate of investment by industry in Canada, thereby creating jobs? I ask this particularly in view of the fact the government's own surveys show that investment intentions and commitments in industry are only about as high in 1972 as they were in 1971.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, any measures taken by the government will be announced at an appropriate time. I believe these figures reflect a deep human problem and should not be a statistical game played in the House of Commons once a month.

Mr. Stanfield: I could not agree more with the minister, Mr. Speaker, but in regard to the latter statement I should like to ask whether he can inform the House when he will be presenting a budget? Can he also assure us that when he presents it he will at that time indicate his goals and objectives for the year 1972 with regard to economic growth and lowering the rate of unemployment?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, at the moment I cannot tell the hon. member if or when there will be a budget.

[Mr. Bell.]

PROGRAMS TO PROVIDE JOBS FOR PERSONS RECEIVING MANPOWER TRAINING AND THOSE NOW EMPLOYED UNDER LOCAL INITIATIVES PROGRAM

Mr. David Lewis (York South): Mr. Speaker, like the Minister of Finance I am very happy to see the down curve in unemployment and I hope it will continue in future months as well. I want to ask the Minister of Finance the following question. Since there are now, I am informed, over 100,000 men and women under manpower training—in school, as it were—and some tens of thousands of people employed under LIP temporarily and as that program expires on May 31, may I ask the minister whether the government is now giving consideration to programs following May 31 to make sure that the people who are now being trained and those now employed under LIP will have jobs to go to?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I will certainly give consideration to that suggestion. The objective of this government is to ensure, so far as we can, that the economy is reflected, in human terms, in jobs.

[*Translation*]

Mr. Speaker: Is the hon. member for Richmond rising on a supplementary?

Mr. Beaudoin: No, Mr. Speaker.

UNEMPLOYMENT—MEASURES TO ASSURE STEADY WORK FOR PEOPLE OF QUEBEC

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I wish to put a supplementary question to the minister.

Since the province of Quebec has an unemployment rate of over 7 per cent at the present time and the Quebec people are concerned about the employment situation, due to the fact that except for the local initiatives program no other measure has been taken to provide regular employment to Quebec workers; can the minister tell us, to give hope to the unemployed in Quebec, that they will have a regular job after the implementation of this program—

Mr. Speaker: Order. I suggest to the hon. member that this is a question that the minister would normally answer on motions by making a general statement. The minister might want to answer something along this line.

Mr. Valade: Mr. Speaker, could I explain my question?

I repeat it, in view of the fact that in Quebec the unemployment rate is 7.7 per cent, what does the Minister of Finance intend to do to offer an alternative to the unemployed who will find themselves on the labour market—

Mr. Speaker: Order, please. The hon. member is repeating his question of a moment ago. I suggest to him to ask it only to the extent that he is inviting the minister to make a statement on motions.

[*English*]

May we have order, please. It is very difficult to hear. Order, please. It is very difficult for the Chair to follow proceedings with all the conversations that are going on at present in the House. I invite hon. members to wait for a while before they pursue these conversations.

UNEMPLOYMENT—SUGGESTED ACTION TO BRING ABOUT TRANSFER OF INVESTMENT FUNDS FROM RESOURCE TO MANUFACTURING SECTORS TO CREATE JOBS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my supplementary question is for the Minister of Finance. Would the Minister of Finance give serious consideration to increasing the rate of taxation on the resource sector of the economy to at least the level of the manufacturing sector in order to bring about a transfer of investment funds from the resource sector to the manufacturing sector soon and, thus, the creation of many more jobs?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I will take what merit I can from that suggestion.

* * *

[*Translation*]

FINANCE

DISCUSSIONS WITH PROVINCES RESPECTING FINANCING OF MUNICIPALITIES

Mr. André Fortin (Lotbinière): Mr. Speaker, I have a question for the Minister of Finance.

Is it correct that his department has initiated discussions with the provincial governments in order to find a formula for financing the public sector, particularly municipalities, so that the latter may be able to proceed with the urgent works they have to do and for which they lack money?

Hon. John N. Turner (Minister of Finance): Not at present, Mr. Speaker.

* * *

[*English*]

AIRPORTS

NEW TERMINAL BUILDING, TORONTO—REASON FOR PAYMENT OF ADDITIONAL MONEY TO CONTRACTOR

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Transport. Would the minister take the first opportunity on motions to explain to the House why the government has found it necessary to pay the contractor an additional $2½ million over and above the original contract price to enable the new air terminal building at Toronto International Airport to open in June whereas the original contract required that it be opened in March?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I would assume that the estimates of the department will very soon be before the committee, at which

time I will be prepared to answer all questions relating to this item.

• (1420)

Mr. Hees: At the time the minister is answering all questions, will he also be prepared to answer questions as to why the contractor has said that he, the contractor, is not responsible for any delay in construction or increase in costs? Will the minister explain who is responsible and why?

Mr. Speaker: Order, please.

Mr. Hees: Have we got another *Bonaventure* on our hands?

Mr. Speaker: Order, please.

NEW TERMINAL BUILDING, TORONTO—REQUEST FOR TABLING OF CONTRACTS

Mr. David Lewis (York South): Mr. Speaker, I would like to ask the Minister of Transport a different kind of question relating to this subject. Will the minister table the amendment to the contract with Piggot Construction and the details of the arrangements with that company so that members of parliament can see exactly what is involved in view of the fact there has not only been, I understand, a $2.5 million additional payment to Piggot but also an additional $1.7 million for delays for which the department is alleged to be responsible? Will the minister table the contracts involved and the amendments to the contracts?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, to the extent that it is within the government's power to do so and these are not private matters of the contractor, I will be glad to table or make available to members all details relating to this particular project.

* * *

[*Translation*]

CRIMINAL CODE

ABOLITION OF CAPITAL PUNISHMENT—REVIEW BY HOUSE DURING PRESENT SESSION

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I have another question for the right hon. Prime Minister.

In view of the fact that on December 29, 1967 the House of Commons deemed advisable to amend section 202A(2) of the Criminal Code, dealing with capital punishment in Canada, with a few exceptions, made the amendment to remain in force for a five-year period ending on December 29, 1972, can the right hon. Prime Minister tell the House whether he intends to have the House deal with the matter this year, during the present session?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, we do not intend to broach this matter during the present session. Normally, a new session should begin in the fall. Normally also, the present government will be in power and we shall then be able to deal with the problem.

Inquiries of the Ministry

[*English*]

CONSUMER AFFAIRS

STEPS TO CONTROL RADIATION FROM MACHINES USED FOR TEACHING AND OTHER PURPOSES

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I would like to address a question to the Minister of Consumer and Corporate Affairs. In view of the recent findings of dangerous amounts of radiation being given off by machines used for teaching and other purposes, what steps has the minister taken to stop or control the use of faulty machines and the purchase of cathode tubes?

Mr. Speaker: Order, please. Perhaps the minister might reply briefly to the question. I have the impression this is a question that ought normally be placed on the order paper. Of course, I do not wish to be unfair to the hon. member. The minister may want to reply briefly to the question.

Hon. Robert K. Andras (Minister of Consumer and Corporate Affairs): I would not disagree with you, Mr. Speaker. I will take the question as notice and try to get an answer for the hon. member.

* * *

NATIONAL PARKS

BANFF—REQUEST FOR FURTHER HEARINGS ON PROPOSED LAKE LOUISE PROJECT

Mr. William Skoreyko (Edmonton East): Mr. Speaker, in the absence of the Minister of Indian Affairs and Northern Development, I will direct my question to the Prime Minister. In view of the fact the hearings in Calgary last week in connection with the Lake Louise project were alleged to be totally inadequate for the number of people who wished to present briefs, will the Prime Minister consider rescheduling hearings with regard to the Lake Louise project in other areas of Alberta before a decision is made?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will have to look into the matter. I have not been following it. I will discuss it with the Minister of Indian Affairs and Northern Development.

* * *

TRADE

SUGGESTED TAX OR CREDIT INCENTIVES TO STIMULATE EXPORTS

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, I wish to direct my question to the Minister of Industry, Trade and Commerce. In view of the fact the export figures for last year have now indicated that Canada's export performance not only lagged behind the growth of world trade generally but was indeed less than the average of the exports of the 14 leading industrial countries, is the minister prepared to initiate any new tax or credit incentives to increase our trade, and can we expect a statement in the House shortly?

[Mr. Trudeau.]

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): First, Mr. Speaker, I want to report that the first two months of 1972 have been very good, 11.4 per cent. As to the subject of taxes, that could be answered by the Minister of Finance. With regard to incentives, I am surprised the hon. member has not seen the number of communiqués which the department has issued with respect to what is being done in supporting financially bidding abroad by Canadian exporters, participation in fairs, in bringing buyers to Canada and so on. We are working very hard at it. I could refer, also, to the missions which have produced good results up to now—

Mr. Speaker: Order, please.

Mr. Danforth: May I ask the minister whether he would forgo all the cosmetics and get down to the prime factor? Will he tell us whether or not there is difficulty in arriving at a comparative value as between the Canadian and the United States dollars, a difficulty which is holding up some of our exports and delaying settlement of the automobile trade agreement between Canada and the United States?

Mr. Pepin: I do not understand the last part of the question, Mr. Speaker. I am sorry.

* * *

OIL

INQUIRY AS TO REVOKING OF DRILLING PERMITS FOR BRITISH COLUMBIA COASTAL WATERS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I wish to address a question to the Minister of Energy, Mines and Resources. Last week I asked the hon. gentleman for certain information with regard to the granting of oil exploration permits to Petrotar Development Limited of Calgary covering some 2.7 million acres of coastal waters in British Columbia. The minister promised to look into that situation. If I may particularize, I have in mind the 1.4 million acres in Hecate Strait and Queen Charlotte Sound and the 1.3 million acres west and northwest of Vancouver. Were these permits granted and, if so, have they now been revoked?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): I do not happen to have the actual geographical co-ordinates in connection with the permits. I can confirm that there are permits outstanding to Petrotar. My understanding is that in general terms they relate to the Queen Charlotte Sound area. I undertook to get more detailed information for the hon. gentleman's examination. While there is a great deal of technical detail on this sheet, there is perhaps not sufficient to satisfy him and I have asked the department to get more.

My colleague, the Minister of the Environment, made a statement on the coast this week with my concurrence indicating that we are in the process of developing zoning areas for the purpose of determining environmental areas not only on the west coast but on the east coast. This will be of guidance, in due course, in determining the continuation of either seismic operations or ultimately drilling operations. At the moment I cannot give exact details

of how the proposed zoning arrangements will affect the permits to which he has referred, but I will be glad to keep the hon. member—

Mr. Speaker: Order, please. I must interrupt the minister. Unless he wishes to return to motions and make a statement I suggest he might allow the hon. member to ask a supplementary.

Mr. Douglas: In view of the fact that permits for seismic operations must inevitably lead to oil drilling permits unless the government breaks faith with those who take out the permits, and in view of the commitment made by the Minister of the Environment that the Department of Energy, Mines and Resources intended to revoke these permits, may I ask the minister whether it is now the policy of the government to revoke all oil exploration permits off the Pacific coast?

Mr. Macdonald (Rosedale): I would point out that if seismic studies indicate there is no field there, then, of course, there will be no drilling.

Some hon. Members: Oh, oh!

Mr. Macdonald (Rosedale): With regard to the—the hon. member for Nanaimo-Cowichan-The Islands seems to have a lot more to say, so I will sit down.

* * *

[*Translation*]

INDUSTRY

POSSIBLE REVISION OF POLICY RESPECTING IMPORTATION OF TEXTILES AND FURNITURE

Mr. André Fortin (Lotbinière): Mr. Speaker, I should like to put a question to the Minister of Industry, Trade and Commerce.

Since it is difficult for Canadian textile and furniture industries to compete, as a result of the present policy under which too many imports are flooding the Canadian market, is the minister—

Mr. Speaker: Order. The hon. member should ask a question. He should not take advantage of a question to put forward an argument. He should ask his question as quickly as possible.

Mr. Fortin: Thank you, Mr. Speaker.

Owing to that problem, is the minister considering the opportunity of altering that foreign trade policy in favour of the Canadian market.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I am truly offended, considering that the policy respecting textile products is now recognized by both employers and employees as one of the federal government's big successes. I am surprised by the reaction of my hon. friend.

I cannot explain the whole policy once again; he should have knowledge of it.

As for textile exports, in the primary sector, they exceed 100 million, while clothing exports are close to 90 million—

Mr. Speaker: Order. The hon. member for Malpeque.

* * *

• (1430)

[*English*]

TRANSPORT

INCREASE IN BORDEN-TORMENTINE FERRY SERVICE TO EXPEDITE RAIL FREIGHT

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I should like to address a question to the Minister of Transport. Since the air traffic control facilities are now functioning at a level which allowed the minister to make a welcome visit to Prince Edward Island yesterday, can he now give some assurance that the capacity of the Borden-Cape Tormentine ferry service will be increased so that rail freight especially can be handled more expeditiously during periods of bad ice conditions?

Hon. Donald C. Jamieson (Minister of Transport): Yes, Mr. Speaker, I think I can give that assurance. We had some very useful discussions with the government of Prince Edward Island yesterday. The immediate difficulty does not appear to be with the ferry services themselves but with the shortage of reefer cars. I am told that approximately 100 of these were moved to the island or were on their way to the island over the weekend, and the situation does seem to have been relieved quite a bit. So far as the question of ferries is concerned, capacity would seem to be adequate and we intend to keep it that way.

SUMMERSIDE, P.E.I., AIR SERVICE—RESULT OF DISCUSSION WITH LOCAL REPRESENTATIVES

Mr. David MacDonald (Egmont): Mr. Speaker, I have a supplementary question for the minister regarding his conversations yesterday with the government of Prince Edward Island. I believe that one of the purposes of his visit was to determine the adequacy of air services, particularly in view of the termination of air service by Eastern Provincial to Summerside. Can the minister report on the difficulties that are being encountered by business people in the Summerside area, and can he also indicate the reasons for the dismantling of the air terminal in light of the fact that EPA was granted a suspension for only two years, not a complete termination of service?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, with regard to the second part of the question I would imagine that is a matter for the airline itself to decide. It is their property, if they choose to dismantle it.

With regard to the first question, we had a lengthy discussion with a delegation from Summerside yesterday and a number of alternatives were discussed. I put forward some; the group from Summerside put forward others. We are now in the process of comparing these suggestions with the objective of restoring some form of air service, the best and most desirable form of air service, to Summerside.

Inquiries of the Ministry

INDUSTRY

UNITED STATES DISC PROGRAM—ACTION TO OFFSET EFFECT ON CANADIAN COMPANIES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce in relation to what is ordinarily referred to as the United States DISC program, on which we have questioned him many times before. Has the minister now determined the effect of this program on Canadian industry and what action, if any, he proposes to take to offset this program?

Mr. Speaker: Order, please. I trust that the minister can reply briefly. The Leader of the Opposition will recognize that this is a very general question. Perhaps the minister might attempt to reply very briefly. Otherwise he should reply to the matter by way of a statement on motions.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I shall be as brief as I usually am. The answer is simply that the regulations under the DISC program have not yet been published. Second, all the efforts we have made to assess the use that United States companies will make of the DISC program have produced contradictory results. If my hon. friend himself knows what the results of the program will be on the Canadian economy, or knows people who know, then by all means I should like to hear from him, as a contribution to the body of knowledge presently being assembled.

* * *

[*Translation*]

FAMILY INCOME SECURITY

FAMILY ALLOWANCES—QUEBEC REPLY TO FEDERAL PROPOSALS

Mr. Roch La Salle (Joliette): Mr. Speaker, I have a question for the Prime Minister.

Could he tell us if the Quebec Premier has given some answer to his proposals with regard to the family allowances policy?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker, not yet.

* * *

[*English*]

HOUSE OF COMMONS

SECURITY OF MAIL AND TELEPHONES OF MEMBERS OF PARLIAMENT—PROTECTION OF JOBS AND CAREERS OF PUBLIC SERVANTS WHO TESTIFY BEFORE COMMITTEE

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a question for the Prime Minister arising out of the statement he made in the House yesterday, following which he gave certain assurances at a press conference outside the House with respect to employees of the government feeling free to come forward to testify on the material contained in his statement yesterday. Can the Prime Minister in the House, on his own behalf and on behalf of all his cabinet ministers, give the House his assurance that no public servant who appears before the Standing Committee on Privileges and Elections to testify will be fired or have his or her career in any way prejudiced as a result thereof?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, this is rather like the kind of question about whether you have stopped beating your wife.

Some hon. Members: Oh, oh!

Mr. MacInnis: Have you started?

Mr. Hees: Give him a chance; he is going to need help here.

Mr. Trudeau: In so far as I can answer the question without any of the aforesaid implications being read into it, of course the assurance is yes. It is not the practice or policy of this government in any way to seek retribution against any people who testify before a parliamentary committee.

Mr. Hees: Except the Auditor General.

Mr. Nielsen: Mr. Speaker, may I ask the Prime Minister a supplementary question in view of the importance of the matter. Now that the subject has been referred to the Standing Committee on Privileges and Elections, and since the Prime Minister went beyond what he has just said at the press conference yesterday, when he gave his outright assurance and said that public servants would be commended if they came forward to tell of any such incidents, all I am trying to get from the Prime Minister is his assurance that if any civil servant does come forward he will not be fired or in any way have his career prejudiced.

Mr. Speaker: Order, please. It seems to me that the hon. member is repeating the question. I may have missed something, but this appears to me to be the same question.

Mr. Nielsen: I am sorry, Mr. Speaker, but with the greatest respect I did introduce a further element by specifically quoting what the Prime Minister said at his press conference yesterday. I wonder whether he might be permitted to reply, because the assurance I am requesting is extremely important.

Mr. Trudeau: Yes, Mr. Speaker, I am perfectly prepared to renew those statements and assurances. I would only hope that if the hearings before the committee show that the allegations of the hon. member are pure fabrication his seat will be at stake as a result.

Some hon. Members: Oh, oh!

Mr. Nielsen: Mr. Speaker—

Mr. Speaker: Is the hon. member rising on a point of order? Otherwise we should go on to the next question as we are running short of time.

Mr. Nielsen: Yes, Mr. Speaker, a point of order. I simply want to set the Prime Minister's mind at ease immediately by telling him that the Liberals have been after my seat

since 1963, but I will not give them any assurance that they will regain it.

Mr. Speaker: Order, please.

* * *

URBAN AFFAIRS

INQUIRY AS TO DEVELOPMENT OF PUBLIC TRANSPORTATION POLICY

Mr. Barry Mather (Surrey-White Rock): Mr. Speaker, I have a question that I wanted to direct to the attention of the Minister of State for Urban Affairs. Having in mind the growing problems of urban transportation, particularly public transportation in areas like Vancouver and the lower mainland of British Columbia, can the minister say whether he was correctly quoted in the Vancouver press to the effect that he really has no—

Mr. Speaker: Order, please. The hon. member knows that he cannot ask a question in those terms. He cannot ask whether a minister is correctly quoted or whether a statement in the press is correct.

Mr. Mather: Perhaps I could rephrase my question. Can the minister say whether his department is working on a public transportation policy?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, various aspects of public transportation are being examined within the government, not only within my own department.

* * *

CANADIAN COASTGUARD

TENDERS FOR RECONSTRUCTION OF COLLEGE GYMNASIUM AND LIBRARY FOLLOWING FIRE—POSSIBILITY OF REMOVAL FROM SYDNEY, N.S.

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Transport. In view of the anxiety still existing in regard to the future of the Canadian Coastguard College in so far as locale is concerned, would the minister advise when tenders are going to be called for the reconstruction of the gymnasium and library which were destroyed by fire last year?

Mr. Speaker: Order, please. I am not sure whether this is the kind of question that normally ought to be asked during the question period, but the minister might reply briefly, the question having been asked.

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I seem to recall an item in my department in one of the reports from my officials having to do with expenditures at Sydney in the current year. Whether they apply to the gymnasium or not, I am not certain. If the hon. member will give me a day or so I will get him an answer.

Mr. Muir: A supplementary question, Mr. Speaker.

• (1440)

Mr. Speaker: Order, please. I will recognize the hon. member on a supplementary, but I think I ought to remind hon. members we will be running short of time very soon. We should try by co-operation to limit supplementaries and get on as quickly as we can.

Mr. Muir: Thank you, Mr. Speaker. I speak very rapidly in any event. Can the hon. gentleman advise when the report of the committee which is studying the future locale, co-ordination and operation of the Canadian Coastguard College will be presented, and would the minister also outline to the people why he said there were no immediate plans to move the college and the minister in Nova Scotia said there was no foundation whatsoever to these rumours?

Mr. Jamieson: Mr. Speaker, I guess it is a matter of semantics. I am quite prepared to confirm the statements of the minister representing Nova Scotia in that there is no—

Mr. Speaker: Order, please. I suggest to the minister and to the hon. member that we are getting down to a debate between two hon. members. The hon. member for Oxford was recognized a moment ago.

* * *

POWER

JAMES BAY HYDROELECTRIC DEVELOPMENT—ISSUANCE TO QUEBEC UNDER NAVIGABLE WATERS PROTECTION ACT OF APPROVAL FOR BRIDGE ACROSS BELL RIVER

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the Minister of Transport which concerns the James Bay project. Yesterday the Prime Minister took the question as notice so today I will address it to the Minister of Transport. Would the minister inform the House whether under the provisions of the Navigable Waters Protection Act the Quebec government presented an application to the federal government for approval of the construction of the bridge that is now being built across the Bell River as part of the James Bay project and, if so, was approval granted by the minister?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, the answer is that an application was received from the Department of Natural Resources of the province of Quebec for a bridge to cross the Bell River at Matagami and this was approved on January 28, 1971. I want to make the date clear. I apologize to the Leader of the Opposition because I said I did not think anything had been received recently, but when we looked into the files we found the application was made presumably in 1970 and approval was granted on January 28, 1971.

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a supplementary question. Could the minister inform the House when the application was received by him?

Mr. Jamieson: I do not have that particular date with me but obviously it must have been before January 28, 1971. If members are not right in suggesting that my department is reasonably slow in these matters, which I deny emphatically, it was obviously some time in late 1970.

JAMES BAY HYDROELECTRIC DEVELOPMENT—INQUIRY AS TO APPLICATIONS FROM QUEBEC RESPECTING DAMS OR OTHER PROJECTS

Mr. G. W. Baldwin (Peace River): Mr. Speaker, can the Minister of Transport indicate whether any application has been received from the province of Quebec in respect of any dam project or any other projects in respect of this undertaking?

An hon. Member: Watch your language.

Mr. Stanfield: Don't say "dam".

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, so that I do not get into the same trap I will say that I do not think there have been any applications for any cotton-picking projects but we are reviewing the matter further, the Prime Minister having called it to my office's attention this morning.

* * *

AIR TRANSPORT

LOSS OF DEPOSITS BY CUSTOMERS OF CHARTER FLIGHT INFORMATION SERVICES

Mr. John Gilbert (Broadview): Mr. Speaker, I have a question for the Minister of Transport. In view of the business failure of an air charter firm in Toronto known as Charter Flight Information Services, resulting in the loss of deposits by many customers, what action will the minister be taking to have the deposits returned to the customers, and what protection do air charter passengers have in such cases?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I will have to take that question as notice as to detail. Protection, of course, is provided if the carrier is one licensed by the Canadian Transport Commission, but I do not know what the specific circumstances are in this case.

* * *

POST OFFICE

POSITION OF NEGOTIATIONS WITH UNIONS ON NEW CONTRACT

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the President of the Treasury Board. In light of the fact that the contract with the postal union has almost expired—I believe the date is March 27 or March 29—has the President of the Treasury Board anything to advise the House in respect of the negotiations and whether he is hopeful of an early settlement?

[Mr. Nielsen.]

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, as I indicated to the hon. gentlemen both in the House and in committee, I do not think it would be helpful to constructive progress of the negotiations to conduct them in public. Consequently I will withstand the temptation to make a report. I am hopeful, of course, that we will be able to reach a settlement before the contract expiry date.

* * *

PUBLIC SERVICE

PLANS TO REDUCE STRIKES

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I have a supplementary. In light of the fact that the President of the Treasury Board has accepted a policy of reducing strikes in the Public Service rather than withdrawing the right to strike, can he advise the House when he will in fact be laying on the table the policy and the plans with regard to that attitude of the President of the Treasury Board and whether in fact this follows from the Bryden report?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, it is not my intention and, indeed, it is not my hope to lay before the House a policy on what the hon. gentleman calls strike reduction. I must confess I do not quite understand that. In so far as the so-called Bryden report is concerned, I think the House leader has already made reference to that at an earlier date.

Mr. Alexander: A further supplementary—

Mr. Speaker: Order, please. The hon. member wishes to ask a further supplementary but if he will look around him he will see there are many hon. members who are anxious to ask questions and we are running short of time. For the moment the Chair might be allowed to recognize the hon. member for Richmond.

Mr. Alexander: On a point of order, Mr. Speaker, I would hope that with the indulgence of the Chair, we might clear up the matter in respect of what I was trying to bring out.

Mr. Speaker: That is not a point of order. It is the responsibility of the Chair to decide when we should go to the next questioner. I have recognized the hon. member for Richmond, but wishing to be fair to the hon. member for Hamilton West I will return to him before the end of the question period.

* * *

[*Translation*]

INDUSTRY

SHOES—MEASURES TO COUNTERACT BAD EFFECTS OF IMPORTS

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I should like to direct a question to the Minister of Industry, Trade and Commerce.

The press announced a few days ago that the minister had met with Canadian shoe manufacturers, especially those of the Eastern Townships and that the latter had brought to his attention the excessive importation of shoes into Canada.

Can the minister indicate whether his department or the government propose to do something to improve this situation?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, we are working with the Quebec Industry and Commerce Department to develop an over-all program that should enable us to approach this question of shoe imports in a similar way to that which was used in the case of textiles and clothing.

Discussions are continuing in that direction and we hope soon to be in a position to make the usual announcements.

* * *

[*English*]

INCOME TAX

DELAY IN SENDING T-4 SLIPS TO PENSIONERS

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my question is directed to the Minister of National Revenue. In view of the fact that T-4 slips, particularly for old age pensioners and other types of superannuated people, have gone out only during the month of March and are now being received and many of them have already submitted their income tax returns, imposing a particular hardship on these people, what action is the department going to take in respect of this tardiness in the administration of the Canada Pension Plan?

Hon. Herb Gray (Minister of National Revenue): Mr. Speaker, I will have to take the question as notice.

* * *

HARBOURS

REQUEST FOR APPOINTMENT OF PRAIRIE REPRESENTATIVE ON VANCOUVER PORT AUTHORITY

Mr. Bill Knight (Assiniboia): Mr. Speaker, I have a question for the Minister of Transport. Last fall I asked the minister if he would consider the appointment of a Prairie representative on the port of Vancouver authority. At that time he suggested that the national port authority had representation from the Prairie region. In view of recent problems I wonder whether the minister would reconsider the possibility of appointing someone from the Prairie region to the port of Vancouver authority?

Hon. Donald C. Jamieson (Minister of Transport): No, Mr. Speaker. I do not believe that would be consistent with the policy, nor in fact would it achieve the objective which I think we share. I had hoped we would have the National Ports Council in operation now. I believe I have a nominee from Saskatchewan, but I have had some difficulty with the change of government. Some names have come forward from different sources. I will get it done as quickly as possible.

* * *

INDUSTRY

ACTION TO PREVENT REMOVAL OF NORTHERN ELECTRIC FROM MONTREAL

Mr. Raymond Rock (Lachine): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. In view of the high unemployment in Montreal, what action is the government taking to prevent Northern Electric from moving out of Montreal, which will affect around 3,000 jobs?

• (1450)

An hon. Member: Is that the best you can do?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I would like to check first on the validity of the information. I am not aware of any significant move by Northern Electric. The different ways in which the federal government through my department has supported Northern Electric in the past are well known and the support has been quite substantial.

Mr. Speaker: Order, please.

[*Translation*]

Is the hon. member for Sainte-Marie rising for a supplementary?

[*English*]

Again I bring to the attention of hon. members that there are just three minutes left before the end of the question period.

[*Translation*]

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I should like to put a very important question.

Recent newspaper reports had it that the Northern Electric Company expected to leave the province of Quebec.

Could the minister say whether he has taken measures so as to make sure that this industry will not move out of Montreal, in order to protect the employment of the 3,000 workers who will be affected by the—

Mr. Speaker: Order. The hon. member has just repeated the question which had been put in English by the hon. member for Lachine.

* * *

[*English*]

PUBLIC SERVICE

REQUEST OF ANN BOOTH FOR LEAVE TO SEEK NOMINATION AS CANDIDATE IN FEDERAL ELECTION—PRESENT STATUS

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the President of the Treasury Board. It is a question that was asked of the Prime Minister yesterday by the gentleman who is now sitting

beside the President of the Treasury Board. In the interest of promoting fairness, will the minister now report on the status of Ann Booth, the CRTC employee who wishes a leave of absence to seek a nomination for the forthcoming federal election?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I think it is quite clear that an application for leave of absence to seek the nomination in a local constituency was made by Miss Booth. That leave, which may be accorded or withheld by the Public Service Commission, was in fact not granted by the commission. Consequently, Miss Booth's action or intention to proceed to seek the nomination anyway would be against the Public Service Employment Act. Miss Booth has been suspended by reason of failure to comply with the act.

Mr. Fairweather: Is the treatment of Miss Booth likely to be duplicated as other public servants seek nominations?

Mr. Drury: I hope that all public servants who seek nomination will, as the law provides, seek leave of absence for the purpose of getting it and proceed in accordance with the decision rendered by the Public Service Commission.

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CANADIAN BROADCASTING CORPORATION

DISPUTE WITH NABET—REQUEST FOR STATEMENT ON NEGOTIATIONS

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I wish to direct my question to the Prime Minister. It arises from the question yesterday to the Secretary of State who is not in the House today. In view of continuing reports of difficulties in the CBC with NABET, would the Prime Minister ensure that the Secretary of State will come into the House tomorrow and make a statement on motions or at some time during the day to clarify the situation, since the fluid position which he said existed on Monday, according to NABET today has not improved from the position which existed in May, 1971, and I suggest is stagnating.

Right Hon. P. E. Trudeau (Prime Minister): I will take the question as notice, Mr. Speaker.

* * *

UNEMPLOYMENT INSURANCE

POSSIBLE REVISION OF REGULATION RELATING TO SEVERANCE AND HOLIDAY PAY

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question either to the minister answering for the Minister of Manpower and Immigration or to the parliamentary secretary. In view of the many representations that have been made calling for a revision of the definition of earnings regulation under the Unemployment Insurance Act in so far as it relates to severance pay and holiday pay, may we be told whether consideration is being given to revising that regulation with respect to either or both of those items?

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): Consideration is being given to this matter. Both subjects are under study by the minister at the present time and an announcement may be forthcoming shortly.

Mr. Speaker: Order, please. We have just about reached the end of the question period. A moment ago the Chair undertook to recognize the hon. member for Hamilton West for a last supplementary question. I would bring to the attention of hon. members that there has been a concentration of questions by frontbenchers today. I hope the Chair will be given an opportunity tomorrow to look a little more to the fourth and fifth rows as a number of hon. members there would like to have a chance to ask their questions. For the moment the Chair will recognize the hon. member for Hamilton West.

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PUBLIC SERVICE

PLANS TO REDUCE STRIKES—POSSIBILITY OF LEGISLATION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I wish to follow up my earlier questions with a supplementary question to the President of the Treasury Board. In light of the fact that the President of the Treasury Board has indicated he is more interested in reducing strikes than in withdrawing the right to strike from the public service, I wonder whether the President of the Treasury Board intends to make a statement regarding the criteria which will be set in order to accomplish this, or whether it will be done by way of legislation and, if so, how soon we can expect this legislation?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I think the House leader has given an indication of when there will be possibilities or otherwise of legislative enactment in this respect. My practice will be to ensure that the negotiations and the framework of negotiations are such as to lead to the conclusion of an agreement rather than the precipitation of strike action.

Mr. Speaker: Orders of the day.

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BUSINESS OF THE HOUSE

SUGGESTED REFERENCE OF PETITION OF OLD CROW INDIANS TO COMMITTEE ON JUSTICE AND LEGAL AFFAIRS

Mr. Erik Nielsen (Yukon): Mr. Speaker, I rise on a point of order in connection with the business of the House. The government House leader indicated to me yesterday that he would have an answer for me today as to whether he would permit the petition of the people of Old Crow to be referred to the Standing Committee on Justice and Legal Affairs.

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I have examined the petition and also the machinery and procedures that might be used in respect of the grievance that has been submitted by this group. I have concluded, in consultation with the Minister of Indian Affairs and Northern Development, that the commission which has been established by the government under Dr. Barber would more probably produce better results in this case than a reference to a standing committee. I understand that the Yukon Native Brotherhood has had preliminary discussions with Dr. Barber and will be making formal submissions including the matter contained in the petition which my hon. friend laid on the table of the House.

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[*Translation*]

CANADIAN CONSTITUTION

DATE OF PRESENTATION OF REPORT OF SPECIAL JOINT COMMITTEE

Hon. Martial Asselin (Charlevoix): Mr. Speaker, with regard to a point of order concerning House business, I would like to ask the government House leader when the report of the Committee on the Constitution will be tabled in the House.

Mr. Speaker: This is not a point of order. The hon. member is putting a question which could have been put during the oral question period; I am the first to recognize that he did not have the opportunity of doing so. It might be simpler to allow the minister to answer it. But, again, I remind hon. members that it is irregular to put questions under the guise of points of order, once the oral question period has ended, unless hon. members agree to it unanimously. In any event, the question having been put, the minister might perhaps answer it quickly.

[*English*]

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I really do not know when the committee will report, but I will have a word with the chairman.

Mr. Broadbent: I rise on a point of order or question of privilege, Mr. Speaker. Earlier this afternoon the Minister of Industry, Trade and Commerce, in reply to a question by the Leader of the Opposition, misinformed the House. I know the hon. gentleman well enough to believe that he would not deliberately do so. The question referred to whether or not the United States has formulated regulations arising out of the DISC program. If I understood the minister correctly, he said that the U.S. government had not formulated such regulations. If that is what he said, it is contrary to the fact, and I refer the minister to Sunday's New York *Times* which contains an article pointing out—

Mr. Speaker: Order, please. That is not a question of privilege; that is a point of debate between the minister and the hon. member. Orders of the day.

• (1500)

GOVERNMENT ORDERS

WAYS AND MEANS

INCOME TAX ACT

The House proceeded to the consideration of a Ways and Means Motion to amend the Income Tax Act.

Hon. John N. Turner (Minister of Finance) moved:

That it is expedient to introduce a measure to amend the Income Tax Act and to provide among other things:

(1) That with respect to taxable income earned after June 30, 1971 and before January 1, 1973, the tax payable under Part 1 of the said Act for the 1972 and 1973 taxation years by every corporation liable to pay tax computed under sections 123 or 143 of the said Act as it reads in its application to those years be reduced by an amount equal to seven per cent of the amount by which

(a) the tax so computed

exceeds

(b) the deductions permitted by sections 125 and 130 of the said Act as it so reads, and that consequential adjustments be made in the manner specified in the said measure in computing the amount of any applicable refunds of tax permitted by Part 1 of the said Act as it so reads.

(2) That the tax payable under Part 1 of the said Act by an individual for the 1972 taxation year be reduced by an amount equal to three per cent of the aggregate of the "tax otherwise payable under this Part" (within the meaning assigned by paragraph 120(4)(c) of the said Act as it reads in its application to the 1972 taxation year) and any amount added thereto pursuant to subsection 120(1) of that Act.

Motion agreed to.

* * *

INCOME TAX ACT

Hon. John N. Turner (Minister of Finance) moved that Bill C-169, to amend the Income Tax Act, be read the first time and printed.

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

* * *

CANADIAN NATIONAL RAILWAYS AND AIR CANADA

PROVISION FOR CAPITAL EXPENDITURES AND GUARANTEEING OF SECURITIES AND DEBENTURES

The House resumed, from Thursday, March 9, consideration of the motion of Mr. Turner (Ottawa-Carleton) that Bill C-4, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways system and Air Canada for the period from January 1, 1971 to June 30, 1972, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railways Company, and certain debentures to be issued by Air Canada, be read the second time and referred to the Standing Committee on Transport and Communications.

Mr. Melvin McQuaid (Cardigan): Mr. Speaker, while I am personally convinced that, so far as bringing about

necessary changes in the operations of the Canadian National Railways is concerned, this debate is an exercise in futility, I feel I cannot pass up the opportunity to place on the record some of the many important changes which should be made in order that the Canadian National Railways may better serve the purpose for which it was established. Year after year, we find this railway appropriations bill before us. Year after year, members stand in their places and make recommendations on how the railway's operations could be improved, and year after year the government pays absolutely no attention to those representations.

There was a time when this railway did serve the people of Canada well. There was a time when it served the purpose for which it was originally intended, but I am afraid that situation has passed, and today the railway is definitely not performing the function which it was established to perform. I lay the major portion of the blame for this failure to perform its proper function, on the Canadian Transport Commission. It is the duty of the Canadian Transport Commission to see that the railway functions properly. One of the reasons that Commission was set up was to see that the railway provided the services which it was originally intended it should provide when it was first built across Canada.

Quite obviously the Commission is overlooking the basic premise that communications are the key to economic development. I suggest that economic development cannot take place unless we have good communications. We cannot have satisfactory economic development without a proper transportation service. Industries will not establish in an area where transportation is inadequate. They can hardly be blamed for that because an industry must be able to get its product to market at a minimum of expense, and a minimum of inconvenience. This basic fact was recognized as far back as 1961 by the MacPherson Royal Commission. That Commission was set up to study the whole subject of transportation. I think it important to place some of its recommendations on the record in order to indicate that the Canadian National is not now carrying out the recommendations made at that time.

The report of the MacPherson Royal Commission on Transport at page 72, volume I, reads:

> Locational and resource disadvantages are well known in Canada. Remedies for overcoming them have been built into national policy. Transportation has been used as one instrument for mitigating locational disadvantage ... Locational disadvantages can still be ameliorated by national transportation policies.

The Commission pointed out that the railways retain a real economic advantage with respect to many essential traffic movements and that they will remain, for some time to come, the backbone of the transportation system in Canada. The Canadian Transport Commission unfortunately fails to recognize this fact.

The Commission report continued:

> It is also apparent that each of the different modes of transport comprising this system—rail, road, water, air and pipe line—makes it own unique and necessary contribution to the functioning of the whole. There is a need for all, and there is room for all. We have reached, in other words, the era of competitive co-existence in transportation in Canada and it is the task of the public, and of the industry itself, to ensure that present and future policy is formulated in the light of this development.

[Mr. McQuaid.]

We should note the Commission's observation that transportation has been used to mitigate locational disadvantages, and that such disadvantages can still be ameliorated by national transportation policies. It is too bad that the Canadian Transport Commission is not guided by that observation. Had it been guided by it, we would not have seen literally hundreds of railway stations close down throughout the length and breadth of the country, with the accompanying loss of jobs, and accompanying inconvenience to employees who had to move themselves and their families to other parts of Canada.

Railway passenger service is in a sad state. It has been drastically curtailed, and in some provinces, such as my own, it has been completely eliminated. When you curtail or eliminate passenger service you eliminate the ability of the public to choose among different modes of transportation. I realize that air transportation is speedy. In many cases it is convenient, but we must realize that not everybody chooses to travel by air. Not everybody likes to travel by air. The services of the railway should have been retained for those people who want to travel by that method. Indeed, that is the prime reason that this railway was constructed in this country, and I think it is nothing less than criminal to allow the Canadian National Railways to discontinue passenger service in some parts of Canada.

• (1510)

The elimination of railway passenger service naturally increases the use of the automobile as a means of transportation, and we have now reached the point where it is becoming a menace because of the pollution disseminated and the traffic congestion. If railway service had been maintained, and those people who prefer to travel by rail given the opportunity to do so, we would not be suffering from pollution and traffic congestion to the degree that we do today. There is another important point, Mr. Speaker. In many cases our road systems are not adequate to handle the increasing volume of traffic.

The excuse offered by the Canadian Transport Commission and the government for eliminating or cutting down the railway service is that it was not making money. Mr. Speaker, I suggest that profit-making should not be the sole criteria. Essential public services must be provided to the people of Canada whether or not they are profitable. We have innumerable examples of public services which are not operating at a profit and, to my mind, there is no excuse for the government or the CTC eliminating railway services simply because they are operated at a loss. Railways were built to provide service to Canadian people, not necessarily to make money for the government. If they can be operated at a profit, that is fine, but the fact they can not is not a reasonable excuse for eliminating them.

Within the last week the railway announced plans to increase sleeping car fares on passenger trains by 5 per cent to 9 per cent. The increase is to become effective on June 1 this year, and apparently is the result of a directive from the Canadian Transport Commission that sleeping and dining car services must be self-supporting. Mr. Speaker, I by no means agree that these services must be self-supporting. They are a public service and as I have

said, there are innumerable public services operating in this country today which are not making a profit.

Let us consider the matter of freight rates. In the Atlantic provinces we are more affected by this than people in any other part of Canada. In the past 29 months we have suffered eight increases. There was a freeze on freight rates until 1969, and since then we have suffered these increases. To give an idea of how serious they are, I offer the following figures. In June, 1962, the basic freight rate per carload of potatoes from Charlottetown to Montreal was 46 cents per 100 pounds. In 1967, it was 51 cents; in 1969, it was 54 cents and in 1970 as well as at present, 57 cents. In 1962, from Charlottetown to Toronto, the rate was 61 cents; in 1967, it was 67 cents; in 1969, it was 71 cents, and in 1970 and at present, 75 cents. That is an increase of 14 cents from 1962 to 1972. The situation is even worse from Charlottetown to Newfoundland. In 1958, it was 88 cents; 1959, 95 cents; 1967, $1.04; 1968, $1.06; 1969, $1.15; 1970, $1.19; 1971, $1.30; and 1972, $1.44. From 1958 to 1972 an increase from 88 cents to $1.44.

These increases are detrimental to the potato industry in the province. As hon. members know, we are heavily dependent on that potato industry. With these increases we cannot compete with potatoes grown in other parts of Canada, despite the fact that Prince Edward Island produces a quality of potato superior to that grown in any other part of the country.

Some hon. Members: Hear, hear!

Mr. McQuaid: Industries are discouraged from coming to our province because of the vicious freight rate structure. We have no raw materials in Prince Edward Island, so they have to be brought in for the purpose of manufacture. Then, the finished product is sent to market, but with the high freight rates on the raw materials as well as the finished product our industries cannot compete with those in other parts of Canada. This naturally is a discouragement to industries which might otherwise be interested in settling there.

Just last Wednesday, the Department of Agriculture announced changes in the Canadian livestock feed freight subsidy for feed grain. This grain comes from western Canada and the freight rates are subsidized. The subsidy was raised for the provinces of Nova Scotia, Ontario, New Brunswick, Quebec and British Columbia but Prince Edward Island was not mentioned. Mr. Speaker, if there is a province in Canada to which the increased subsidy should apply it is Prince Edward Island, where the livestock and dairy industries are suffering because of the high cost of feed grain. Practically all feed grains have to be brought in from western Canada. I very sincerely ask the government why they have discriminated against Prince Edward Island in this matter.

An hon. Member: They have no seats there.

Mr. McQuaid: Possibly that is the answer but it is a most unfair situation, and one to which I take very serious exception. The increased subsidy should have been granted to our province because our need is equal to, and in some cases greater than, those provinces to which it has been applied. The Minister of Agriculture (Mr. Olson) is reported to have made a statement that the changes were made to bring freight subsidies in line with changing costs during the last year, particularly in the remote areas. Mr. Speaker, our area may definitely be classed as a remote area, especially so far as the transportation of feed grain from western Canada is concerned. I want to know from the Minister of Agriculture or the government why Prince Edward Island has been so grossly discriminated against with respect to these subsidies.

• (1520)

An hon. Member: Shame.

Mr. McQuaid: Another serious complaint heard in our province relates to the lack of availability of refrigerator cars used for shipping potatoes. The growing of potatoes is a prime industry in Prince Edward Island, and we must get those potatoes to market. It will be impossible to get them to market unless the railway provides us with the necessary refrigerator cars. The situation during the past week, as noted by the Minister of Transport (Mr. Jamieson) today, has been very, very serious. When refrigerated cars are not available, we cannot transport our potatoes to markets which are crying for them. As I say, potatoes cannot be shipped if the railways will not supply us with refrigerated cars. Other modes of transport are not available, refrigerated motor trucks not being available in sufficient quantities to transport our potatoes to market. I hope, therefore, that the department will take steps to remedy the situation as soon as possible.

The last matter I want to mention, Mr. Speaker, is the matter of air transport. Strangely, some people apparently do not recognize Prince Edward Island as a province of Canada, because we are the only province of Canada to which Air Canada has refused to come.

Mr. Forrestall: That is disgraceful.

Mr. McQuaid: A few years ago an application was made to Air Canada for the provision of air transport to Prince Edward Island, at least to a limited extent, so that we would be serviced in the same way as the other provinces of this country. Air Canada refused. I say with considerable pride that we have been able to get along without the services of Air Canada. That, however, does not excuse Air Canada for refusing to serve that area. Eastern Provincial Airways is presently providing a modern, up-to-date service to our province. The airline operates three Boeing 737 jets, each of which can carry either 108 or 109 passengers. It also operates eight other propeller driven aircraft which provide transport facilities between the island and other parts of the eastern seaboard. Eastern Provincial Airways presently employs 500 people. So, it is an industry. There is now a non-stop flight from Montreal to Charlottetown. The trip takes one hour and fifteen minutes, and the aircraft continues on, from Charlottetown, to Halifax and various other places in Newfoundland.

Eastern Provincial Airways presently has an application before the Air Transport Commission for a service which would link the three Maritime capital cities with Montreal. It is proposed that this service shall start in Charlottetown at eight o'clock in the morning. The aircraft is to proceed from there to Halifax, Fredericton, Chatham, New Brunswick, Charlo, New Brunswick, and

then to Montreal. I presume, and take for granted that this service will be in addition to that presently being provided. I certainly hope that the Air Transport Commission will grant the application and permit Eastern Provincial Airways to expand its service to Prince Edward Island, and will bear in mind the refusal of Air Canada.

Some hon. Members: Hear, hear!

Mr. McQuaid: I have talked about some of our transport problems. I cannot resist the temptation to suggest that, in addition to the remedies I have mentioned, there is another remedy which, if it had been applied, would have improved our situation tremendously. If the government in power today had seen fit to build the causeway to Prince Edward Island, our situation would have been transformed entirely.

Some hon. Members: Hear, hear!

Mr. McQuaid: I was interested to read a speech made in the other place a few days ago by Senator Bonnell, a Senator who comes from the island. He said in part:

> Honourable senators, what is needed to prevent this continued isolation—

He was speaking of the isolation of Prince Edward Island.

> —is something we have heard about so often—the causeway. Different prime ministers have promised the causeway, but each time the project has been postponed by some tight money policy or high rates of interest.

Mr. Speaker: Order, please. The hon. member knows that it is irregular to quote from the debates of the other place.

Mr. McQuaid: Mr. Speaker, what the Senator neglected to say was that if the Diefenbaker government had remained in power, Prince Edward Island would have had a causeway today connecting it with the mainland. There is absolutely no question about it.

Mr. Pepin: Make it retroactive.

Mr. McQuaid: I sincerely suggest that if the government wants to improve our communications in that way, it is not too late for it to do so. Let the government go ahead with the construction of the causeway, and let there be improved railway service between Prince Edward Island and the mainland.

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, it would be impossible in the time that I will have today to deal with all the questions and issues which have been raised in this debate.

Mr. Forrestall: The minister might at least try.

Mr. Jamieson: I might say to the hon. member opposite and others that I fully intend today to make a very objective and non-controversial speech. I hope it will be received in that way. I repeat: I would find it impossible to cover all the matters which have been raised in the time allotted to me. Transportation is such a complex subject that it simply cannot be covered in a speech of 40 minutes. I assure the House and all hon. members, including the hon. member who made a remark just now, that I am at their disposal, either in committee or elsewhere, as often as they wish and for as long as they wish, to ensure a full discussion of those matters that are of concern to them and fall within my area of responsibility.

I agree with the claim that a reorganized structure is necessary in order that members and the country generally can obtain more information, and obtain it more easily, about all aspects of transportation. With this objective in mind, I propose to bring before the House in the next session three important pieces of legislation on which work is proceeding at the present time. The first of those is a bill designed to reconstitute Air Canada as a separate Crown corporation, thus divorcing it, as it were, from the CNR. I will also introduce a Canadian National Railways revision act and a companion piece of legislation covering amendments to the Railway Act. Hon. members will know how involved and far reaching these changes are; they have been asking for them for the last two or three years. These changes have entailed a great deal of work, which is still proceeding. I believe, however, that these bills are essential and I will bring them forward as soon as they are ready.

Since there will be time for a wide-ranging discussion in committee, I thought that it might be appropriate if, today, in the 40 minutes which are available to me in this House, in accordance with a commitment previously given, I were to discuss and deal with one subject that is obviously of very great interest to a large number of hon. members, the matter of a transportation policy for the Atlantic Provinces. I feel reasonably confident that we can all agree that the transportation problems of the Atlantic region cannot be considered in isolation. This is on all fours with my own judgment since I, like most hon. members, recognize that transportation policy must be the means to the attainment of economic and social objectives. Unless we who live in the Atlantic area know what it is we want to achieve and gear our transportation planning to assist these objectives, there is every possibility that we will repeat the mistakes of the past and fail to make our initiatives in transportation responsive to our wider and more basic objectives and ambitions.

I think we have to agree, as well, that the record of the period dating back almost to confederation is crammed with evidence of attempts at economic development that failed to meet the expectations of their well meaning and often dedicated promoters. There are many reasons for these costly failures; amongst them is the inadequacy of past transportation policy and facilities. It would be a mistake, however, to preserve the mythology, entrenched by nearly a century of frustration, that great industrial complexes would blossom throughout Atlantic Canada if only the transportation drawbacks were removed. Regrettably it is not that simple.

• (1530)

The problems of the past in attracting industry to this area will be compounded in the 1970's. We have only to look at such centres as Toronto, Montreal and a few others to realize that most new types of developments tend to polarize around large metropolitan centres. I am compelled to state my belief that despite the best efforts of aggressive Chambers of Commerce and the provision

of attractive incentives by DREE and others, few so-called secondary industries are likely to locate in comparatively remote regions where they are isolated both from the other undertakings upon which they must rely and the major markets on which they depend for their viability.

Given these predictions, Atlantic Canada faces a number of alternatives. We can accept the trend as inevitable. If we do, the historic erosion of our best young native talent will accelerate. It is estimated, for example, that at least half of the students in Newfoundland's Memorial University will leave the province soon after graduation. The future may not be quite as bleak in the Maritimes, but I have no doubt that the same trend is now in evidence. If we are to reverse this migration, it is clear that ways must be found to provide an increased number of more rewarding jobs in the Atlantic region. I do not suggest that greater employment opportunities are the whole answer, but without them all else is futile.

Where, then, are the additional jobs to come from, and how can we improve the lot of the present work force so that they will not be attracted to better opportunities in other parts of Canada or elsewhere? And what role can transportation play in answering these questions? The most logical approach is to make the most of the natural advantages we possess. There is encouraging evidence that both public and private agencies are having an increasing degree of success in this task.

The industrial complex now growing up around the Canso Strait area is one example. The Churchill Falls development is another, although in a different category. I believe that efforts in recent years to rationalize and stabilize the fishing industry will prove to be highly successful and beneficial. Other natural resources are also making an increasing contribution, with mining showing a considerable improvement, particularly in New Brunswick and Labrador. The creation of promising container ports at Halifax and Saint John, of refineries in Newfoundland and other Atlantic locations, are other examples of the effective promotion of a natural asset Atlantic provinces possess because of our geographic location. These and other developments illustrate that we stand our best chance for economic improvement when we seek to make the most of the opportunities that are, in effect, at our doorstep, applying the value-added principle whenever possible and, of course, benefiting from the service industries that will follow with their generally high employment prospects.

I have said that most industries today are reluctant to operate, as it were, in isolation. The exceptions, of course, are those undertakings that require specific natural resources or those to which Atlantic Canada can offer certain special advantages. It is obvious, however, that even in these cases there is a preference for a comparatively large community or at the very least, for ready access to the services, amenities and social attractions that a larger community has to offer. This is why the Department of Regional Economic Expansion has chosen to promote the growth centre concept.

The leaders, private and public, of all four Atlantic provinces have indicated their agreement with this principle even though, like me, they realize that it must be done with great care and with the proper respect for the rights of the individual and for the important traditions of a way of life that has served residents well in the Atlantic area for centuries. Also, transportation and greater mobility are extremely important to the growth centre concept. An understanding of the growing phenomena of industrial interdependence and an acceptance that such a trend is inevitable for a variety of reasons will help our planners to avoid the dissipation of effort that has brought something less than total success in the past.

In summary, therefore, I agree with those who see, as a first priority for the Atlantic region, the development of all of our natural resources, not simply in terms of first phase exploitation, that is the exporting of raw materials, but also in upgrading our natural products within the region to the maximum extent possible. Secondly, I see the need for the strengthening of the general framework of our larger and more viable communities, not merely because these are the most logical centres for economic growth, but also because they offer the best chance to our people to enjoy the levels of services which all of us now accept as our right in the Canada of the seventies.

In all of this, transportation has a vital role to play. I have indicated that transportation policy must be responsive to the general objectives of the region. This, however, is an over simplification. Proper transportation planning can help to shape the Atlantic region of the future. We who have responsibilities in this field must initiate as well as respond. That is what we are seeking to do, and I may say that the role of the initiator is by far the more difficult.

Much has been said about the Atlantic Premier's Report of 1969. This provides recommendations for the implementation of a basic transportation policy in the Atlantic provinces. Recommendations are made under the following headings: Rail Regulation, Highway Regulation, Subsidies and Public Policy, Role of the Carrier and Shipper, Highway, Rail, Air, Ports, Ferries, Water, Research Organizations and Freight Rate Freeze. The report called for a national policy which will require for the Atlantic provinces an effective combination of competition, regulation and financial assistance. It called for a revision of the Maritime Freight Rates Act, something to allow flexibility for changing circumstances over time.

It will be useful to examine the major recommendations of the report, and I would like to comment on what has been achieved so far. I will deal with the headings as they are, in fact, set out in the report.

First, rail regulation: Recommendations were made concerning the interpretation of the term "alternative, effective and competitive service" under the act. The weight base of 30,000 pounds for maximum rates is queried, and a suggestion is made that where a maximum rate is increased, such increase be limited to the increase in variable costs. It is suggested that the Canadian Transport Commission should be empowered to suspend a rate, presumably a rate increase, where it has received prima facie evidence that the rate is discriminatory, and it is suggested that the provinces or their agencies should have access on a confidential basis to relevant railway cost data.

Apart from the first point, which reflects the intention of the legislation anyway, that is to provide alternative

and competitive means of transportation, the others would require changes in legislation. The 30,000 pound weight base was the subject of lengthy debate in parliament. I think it is fair to say there was a wide difference of opinion in all parts of the House as to this particular matter. Limiting increases to variable costs only would in time lead to distortion as new rate patterns were established. Suspension of an increase where evidence of discrimination appears to exist is a reasonable request. As far as costs are concerned, publication of average costs might go some way toward allaying some concerns, and I am presently raising this possibility with the Canadian Transport Commission and with other persons who would be concerned in answering this particular question.

There are, of course, a number of cases proceeding under Section 23 of the National Transportation Act, and it would be premature to think of changing the act until these cases have run their course and their impact has been assessed. Section 23 permits appeals in cases where it is claimed that actions of the carriers are detrimental to the public interest. This has not been decided up until the present time. A number of applications under Section 23 are now being decided. I am sure the findings will be historic and, indeed, may form a very strong base for future action.

Most of the points made in the section of the Premiers' report dealing with highway regulation relate to items under the control of the provinces themselves. The comments generally refer to the need for uniformity of regulations within the Atlantic provinces and wherever possible between other provincial and state authorities.

Proclamation of Part III of the National Transportation Act is in the spirit of what is said in this section. I have had three separate meetings with the provinces regarding an appropriate federal role in this field and, without labouring the subject, I can say that we are prepared to act as soon as the provinces reach a consensus amongst themselves as to how we can best co-operate with them in this complex regulatory field.

• (1540)

In terms of subsidies and public policy, the call of the premiers was for updating of the Maritime Freight Rates Act so as to effectively assist the economic development of the region and to give assistance beyond the unilateral subsidization of rail traffic. The provinces emphasized that they would be prepared to accept modification in the blanket subsidization of intraregional traffic provided that a federal-provincial agency, located in the region, was empowered to administer transportation assistance from federal funds on a more selective basis. This agency, it was proposed, would have funds at its disposal for the existing MFRA westbound rail, $5 million for extending westbound subsidy to other modes, and an amount to be negotiated for other forms of more selective assistance.

In response, the Atlantic Region Freight Assistance Act of 1969 did introduce more flexibility, and in 1969 the outbound subsidy was extended to trucking. The Federal-Provincial Committee on Atlantic Region Transportation was set up to advise on subsidy policy, not as an agency to administer funds as had been contemplated. The reason for this decision was that both the provinces and ourselves questioned whether the provinces acting unilaterally would be able to agree on an equitable distribution of funds. Also, it is important to note that the $5 million requested to subsidize other modes is only about one third as much as will be paid out this year to subsidize trucking within the region.

The section of the report dealing with the role of carrier and shipper discusses the avenues open to carriers and shippers in the use of new technology and by joint efforts in pursuing expanding markets. Recommendations here concern reductions in intra-maritime rates referred to in a November, 1967 announcement, deferment of the elimination of less-than-carload freight rates in the Atlantic provinces and ask that the density rule of one cubic foot equalling ten pounds be changed. The deferment of plans for elimination of less-than-car-load rates in the region was subsequently agreed to by the railways. The density rule applies across Canada and does not appear to raise problems elsewhere.

The recommendations relating to rail refer to implementation of rail realignments where these are shown to be worthwhile, and the need for research into passenger traffic by road, rail and air. The recommendations are not specific, but the transport development agency of the Ministry of Transport, as well as other groups, are continuing very detailed studies of these and related questions.

Recent actions taken by some hon. members with regard to the matter of the discontinuance of passenger service in Newfoundland, actions which may require me as Minister of Transport and as a member of the government to become involved in possible judicial proceedings, make it improper for me to comment on the issue at this time. I can, however, make some general remarks on the matter of rail service in Newfoundland. It is the government's intention to see that the rail line across Newfoundland, coupled with the ferry services between North Sydney and Port aux Basques, remains the main transportation link for goods moving into and, I hope, in ever increasing volume, out of the province.

I do not agree that a standard gauge system, costing a very large sum of money, is necessary to achieve this objective. Tens of millions of dollars have been spent already on improving the existing right of way, not to mention the even greater amounts which have gone into terminal facilities at Port aux Basques, North Sydney, the Canso Straits and Argentia, plus the cost of additional ferries, many of which were designed to accommodate themselves to the narrow gauge system. I am not unmindful, either, of the great social disruption which would occur, particularly at Port aux Basques and in southwestern Newfoundland, if a standard gauge track was introduced. The livelihoods of many hundreds of families are at stake, and I intend to see that these are protected.

In my opinion, it would be far better to use the tens of millions of dollars that a standard gauge system would cost in order to help provide still more good roads in Newfoundland and Labrador, a policy which, as the record shows, the government has been carrying out at great cost and with good effect over the past three years and, indeed, before that.

During the weekend I held the most recent of many discussions with officials of the CNR with a view to improving the existing rail route still further. There are grades and curves which it may be possible to eliminate, and I have asked for detailed costs and other estimates. As for rail passenger service, I want to repeat what I said a few days ago to the representatives of the national rail unions when they met with me here in Ottawa. The evidence is growing that the future of rail passenger travel depends to a large extend on new technology. Experience in Canada and in the United States has shown that conventional rail travel cannot compete with other modes over long distances and through sparsely populated areas. This is why the Ministry of Transport and the CTC, at my direction, have stepped up their research in this important field.

We have produced the first comprehensive assessment of a transportation corridor concept between Windsor, Ontario and Quebec City. We are examining very carefully new methods and designs for surface transport. A commuter study for the area of metropolitan Toronto, involving all levels of government, will be completed in May or June. All of this work and much more, some of it centered in our universities, as well as our agreement which I was happy to negotiate to share research information with the United States, will, I am sure, lead to a great deal of improvement and innovation in the years ahead. It is by no means inconceivable that out of this combination of research and testing will come ideas and new designs which will make wholly new and more rapid and comfortable means of rail travel possible in many parts of Canada, including Newfoundland.

I turn, now, to air transportation. The Premiers' report called for a redefinition of air transportation policy in order to permit a redistribution of air routes between trunk and regional carriers and suggested compensation for carriers servicing uneconomic parts of the network. It proposed federal aid to the regional carrier to enable it to re-equip its fleet and upgrade its airport facilities and navigational equipment.

Air Canada has already initiated talks at the regional carrier level with a view to a redistribution of some routes. Goose Bay has been transferred from Air Canada to EPA. EPA received a total of $1.3 million in subsidies during 1970. My department has a five year plan for improving its airports and equipping them with appropriate navigational aids. Much of this work has already been done. At St. John's, Newfoundland, although we encountered some unanticipated technical problems, the instrument landing system for one of the main runways is operating satisfactorily and a second system on another runway will be operating later this year.

Incidentally, and this will be of special interest to hon. members on the other side who understand the technicalities involved—I am thinking, in particular, of the hon. member for Dartmouth-Halifax East (Mr. Forrestall)—the region's engineers are working to establish this facility to what are known as category two standards, that is, visibility, 100 feet altitude, one-quarter mile horizontal. If this effort is successful it will help to cut down significantly on the degree of interference by bad weather with airport operations. I see the hon. member for Hillsborough (Mr. Macquarrie) is here today. I should like to advise him there will be a substantial upgrading of Charlottetown Airport this year involving something like half a million dollars or more.

Under the heading, ports, nothing specific was called for in the Premiers' report but reference was made to the need for joint consultations, studies and financial arrangements between provincial and federal governments to take advantage of opportunities offered by technological change. A number of such consultations and studies have been going on, particularly with regard to Saint John and Halifax where much actual consultation has already taken place. Establishment of the National Ports Council and of local port authorities in National Harbours Board harbours is a significant response to this item.

Reference was made in the report to the need for additional capacity on the Wood Island-Caribou ferry service and a request was made for lower truck rates on P.E.I. ferries. A new vessel is under construction for the Wood Island service, and in the fall of 1970 truck rates on P.E.I. ferries, as well as on Newfoundland ferries, were reduced. Two new vessels, the *Holiday Island* and *Vacationland,* were introduced to the Borden-Tormentine service last year providing much improved capacity. The report also called for an acceptable fare structure on the Digby-Saint John ferry service. Indications are that the level of service and rate structure presently provided have been well received, and this is confirmed in the second report of the Federal-Provincial committee.

The section under the heading, water, suggests a need for a broader examination of coastal services and for further studies of ocean services and rates.

• (1550)

The Darling report has subsequently been prepared and is currently under study with, I may say, many differing points of view being presented in response to my invitation.

With regard to transportation research and organizations, comments here concerned primarily the need for work to be done by the provinces themselves.

With regard to freight rate freeze, it was suggested that this be maintained until the new regional policy was effected; however, the freeze was lifted in 1969 for reasons I have explained and which I believe are very valid.

With regard to rail rate increases since 1969, I want to point out that the freeze on freight rates which began in 1959 with the Freight Rates Reduction Act was continued in the Atlantic provinces for 30 months longer than elsewhere in Canada. This means that there has been a lag in applying increases in the Atlantic provinces and while the lag has been reduced to some extent, it does not now appear that it will be entirely eliminated. In addition, the Maritime Freight Rates Act keeps rail rates in the select territory and on outbound movements to other points in Canada below the levels that would otherwise apply. When compared with similar rates elsewhere in Canada, therefore, Atlantic province rates still remain below the national average by a sizeable amount.

These were the main recommendations of the Atlantic provinces report. I think it is clear that we have acted positively on the majority of them. This does not mean that the job has been completed. Probably more detrimental than freight rates themselves, are the still complex and often costly distribution patterns within the Atlantic area. I agree with the premier's report that greater rationalization of distribution is desirable, even necessary, and considerable progress is being made along these lines. One has only to look at the remarkable increase in truck movements to see that this is so. And the process of change will continue.

We in the ministry of Transport accept the need for change. What I, as minister, do not accept, however, is the idea seemingly entrenched in the minds of some that at some given moment we will present an all embracing and final transportation policy, something that in its own way would become as rigid and permanent as the Maritime Freight Rates Act once was. Transportation policy must be an evolving plan. It must not only seek to meet presently identifiable goals, it must also be sufficiently flexible to respond quickly when need become apparent or when long established requirements cease to exist.

Historically—I believe this is often overlooked—the main purpose, perhaps the only reason for freight subsidies and similar assistance to Atlantic Canada, was to enable industry in this area to compete on a more equitable basis with industry in other parts of our country. The basic argument was that goods of various kinds produced in the east were not marketable on a competitive basis because the transportation cost of reaching the markets to the west was unreasonably high. The same basic principle led subsequently to the provision of subsidies within the region so that Atlantic industry and commerce could, to a greater extent than previously, supply the regions own internal needs. I want to emphasize that only in comparatively recent times has the relationship between transportation charges and the cost of bringing goods into the region become a central issue. Today, in much of the discussion and argument, it is the main theme of many who protest rising freight rates and other changes in the tariff. No one is more aware than I of the high cost of living in Atlantic Canada, but confusion is inevitable when the two objectives of industrial development and, for example, lower living costs become part of the same argument.

When a subsidy is paid on the whole range of goods entering the Atlantic provinces, this is clearly a benefit to manufacturers in other parts of Canada who ship their merchandise into the region. It surely follows that such subsidies must be detrimental to manufacturers within the Atlantic provices who are in direct competition with those from outside. To some extent at least, therefore, blanket in-bound subsidies, while they may do something to reduce cost, are self-defeating in terms of the other and broader aim of economic or industrial expansion.

I believe, therefore, that it is necessary to separate these two frequently opposed objectives. In my judgment, economic expansion is by far the more important, and it is to this aim that we must direct our efforts in evolving the transportation policy to which I have referred. I want to emphasize that I am not unconcerned about the cost of living aspect, but there are other mechanisms that can be employed more effectively in dealing with this problem. I should say in passing that it is not only in the Atlantic provinces that freight rates and the like add to living costs. The same general problem exists over a very large part of Canada, and I believe it is generally agreed that in this one problem area at least, greater and more effective competition rather than subsidization will provide the most effective solution.

In the course of my remarks I propose to show the remarkable way in which this competition is increasing and also the relative differences between rail freight rates in the Atlantic provinces and the rest of Canada. I believe I can demonstrate also that on the matter of industrial growth, there is little evidence that the previous formula for subsidies was truly effective. This is due in part to the fact that up until the past year or so the available assistance applied only to rail shipments. This, as you know, has now been changed for out-bound cargoes and I am encouraged by the extent to which trucking is now offering the railways more effective competition.

As to the subsidy now being paid on movements within the region, once again there is growing evidence of the comparative ineffectiveness of present arrangements. Within the past few days, I have received the second report of the federal-provincial committee established in 1970 to make recommendations concerning the so-called intra-subsidy and a number of related matters. Within a short time I propose to make it available to members. There has not been an opportunity as yet for a thorough study of this second report, but I think it can be said that its findings confirm that further changes should be made in the present methods of payment to make these more selective and thus more efficient.

The first committee report revealed some surprising facts in support of this contention, and I recall them to the attention of hon. members. For example, it is interesting to note that in 1970 about $8 million per year was paid in subsidies on rail shipments within the Atlantic provinces, and this figure had not changed substantially in the past decade. This suggests that most, if not all of the growth that has taken place in recent years, has been as a result of the activities of motor carriers. It is also significant that the greater part of subsidized rail movements originate and terminate within the same province. This is true of 68 per cent of all such movements in the Atlantic region as a whole. Not surprisingly, in Newfoundland the proportion is as high as 91 per cent. Obviously, therefore, the role of rail transport is not as important as that of other carriers in interprovincial trade.

A further finding of the committee, as some members will be aware, is that a relatively small number of commodities generally characterized by heavy weight and low dollar value account for the greatest part of rail movements. Only about 12 commodities, led by petroleum products and pulpwood, accounted in 1970 for as much as 65 per cent of the subsidized rail movements within the Atlantic region.

Despite this concentration on movements of such commodities, the average length of rail shipments within the Atlantic region is only about 150 miles, a distance which is well below the optimum range of railway operations in

the light of most North American transport experience. This indicated a misallocation of transport resources and tended to suggest a certain discrimination against the motor carriers which, there is little doubt, was detrimental to all parts of the region, but particularly to the two island provinces of Prince Edward Island and Newfoundland. It seemed evident from the committee's findings that changes in the internal subsidy were called for and, as members know, we introduced these along the lines of the committee's recommendations. I will deal with these in greater detail in a few moments.

While, as I have said, the second report has not yet been studied fully I can tell the House that I have already made certain decisions on some of its recommendations. The second report of the federal-provincial committee suggests that the intrasubsidy reduction from 17.5 per cent to 15 per cent go ahead as planned this year but that exemptions to the reduction be made to the potato industry and certain sectors of the wood residue industry.

• (1600)

The report suggests that the exemptions be regarded as special assistance cases where the high subsidy level or the differential between the normal and high level be paid to the shipper rather than the carrier. The latter course may be one which is relatively simple to implement and could be the beginning of a more selective subsidy policy. I favour these recommendations and fully expect that they will be implemented. I do, however, want time to explore their ramifications and decided, therefore, not to reduce the present intra-subsidy of 17½ per cent on April 1st as the committee suggests, but only at a later date and after consultation with those concerned. I am aware of the widely held view that when assistance is provided, it should be paid direct to the shipper rather than to the carrier. I subscribe to this principle and assure the House that if, in fact, we do not get the benefits to industry this plan is designed to achieve, then we will accelerate the changeover to our shippers more quickly than in the policy I have described today. It was in the interests of getting the plan into operation quickly that the decision was taken to use the simpler system, but we will continue to work on the problem of payments to shippers, beyond the initial step I have mentioned today.

The reading of statistics can be a dull business, but as painlessly as possible, I would like to give the House some indication of the levels of federal spending on transportation in the Atlantic provinces in recent years. This is the backup and support that I have been indicating today. We have implemented the recommendations of the provinces themselves.

In 1970-71, all forms of subsidies, maintenance and operating costs in the Atlantic provinces totalled $113 million. In 1971-72 this figure increased by over $5 million to more than $118 million. Of these totals, subsidies to various ferry services amounted to about $36 million per year. Last year, the first full year of the trucking subsidy, payments to both rail and trucking totalled over $20½ million in the first year in which we were paying the trucking industry. This immense figure may surprise hon. members, but it supports the tremendous growth in the Atlantic provinces. I now estimate that the trucking portion alone is likely to reach close to $14 million in the current year, just within the Atlantic provinces, and that does not include the subsidy on westbound traffic or the out-of-the-region subsidy.

National Harbours Board capital expenditures combined for the current year and the previous two, add up to about $15 million and all the capital expenditures of the Ministry of Transport and its related agencies, over the same period, fall just short of $72 million dollars.

Over and above direct spending by my ministry, other departments have contributed substantially to the improvement of the transportation network of the Atlantic provinces. Between 1968 and the current year, both inclusive, the Department of Public Works has undertaken capital works in the region worth about $33 million, excluding such large lease-back projects as the $20 million wharf for the Come-by-Chance refinery in Newfoundland and a similar structure on the Strait of Canso.

A special word is called for regarding assistance for road construction in the Atlantic Provinces. There was, first of all, special help provided for the completion of the trans-Canada highway in the region with the federal government contributing 90 per cent of the cost. At the peak of this program this support was at the level of about $57½ million a year.

Special DREE programs sustained this level of support from 1969 to 1971. Last year new agreements were negotiated with New Brunswick, Nova Scotia and Newfoundland totalling $60 million. Over the past seven years, therefore, federal support for Atlantic province highways has averaged about $45 million a year, or over the period some $315 million, with many projects being funded entirely by the federal government.

The Atlantic Premiers' report suggested a 10 year program, properly planned, and interim assistance of about $66½ million. It can be seen from these figures that this second request has been met and exceeded, and long range planning for federal participation in highway construction is well advanced.

I emphasize these expenditures, because while they are not all made directly by the Ministry of Transport, they are nevertheless a vitally important part of our Atlantic transportation policy and have gone a long way toward meeting the needs of this area.

I would also like to recall some of the other federal undertakings of the past few years as evidence that we are moving ahead with a comprehensive program, which fits pretty squarely with what was recommended not merely by the Premiers' Committee but also by hon. members of the opposition and on this side of the House. Some of these projects may tend to be overlooked because of the present evident preoccupation with the problem of freight rates which, though important, is only one part of the challenges we face.

In 1969 as I have mentioned, the 30 per cent subsidy on outbound shipments was extended to trucking and railway express. Simultaneously subsidies were provided to maintain water transport from St. John's and Corner Brook to Montreal, and similar subsidies have been continued for service between eastern Newfoundland and Halifax. A good prospect for Halifax at the present time is again a program in which the federal authorities are

involved with regard to the shipment of automobiles from a special gathering point in Halifax to Newfoundland and perhaps elsewhere. During the same year we undertook a considerable expansion of ferry service to P.E.I. with two new ferries introduced last year and a third coming into operation this year. I believe it is agreed that results have been highly satisfactory. We have undertaken, in co-operation with the government of Nova Scotia, major improvements in the shore facilities for the Woods Island-P.E.I. service and these are now well underway.

In co-operation with Canadian Pacific, ferry service from Saint John to Digby has been modernized at a cost of many millions of dollars, and we have provided the financing for a ferry terminal at Yarmouth to accommodate a second ferry to New England which is being sponsored by the government of Nova Scotia. Construction in the Strait of Canso of a new rail car terminal provides an alternate ice-free port for the Port aux Basques ferries. New harbour facilities have been constructed at Corner Brook at an estimated total cost of about $5 million. This year the National Harbours Board will undertake studies expected to lead to expansion of St. John's Newfoundland harbour facilities at a cost of as much as $10 million. Last year and again in 1972 we will operate two additional ferries on the Gulf service, thus greatly expanding capacity.

Air services in the Atlantic region have also been improved through the provision by EPA of jet service to P.E.I. and to Labrador. In addition, I have obtained a detailed study of future air traffic patterns in the Atlantic provinces and in the Atlantic region and have made copies available to members. These will help us to determine our airport policy in this region in the future. Many improvements have been introduced at both major and minor airports throughout the region. By introducing the so-called "TOPS" program we reduced landing fees at Gander by approximately two-thirds and the runways at Gander have been lengthened, at very great cost, so that Gander can now accommodate the world's largest airliners.

These are by no means all the projects either completed or underway in the Atlantic provinces. We have provided much better transportation services to the Magdalen Islands and will spend close to half a million dollars this year to improve loading facilities in both P.E.I. and on the Magdalens. The hon. gentleman from Prince Edward Island who spoke earlier I am sure will be glad to hear this.

The Acting Speaker (Mr. Laniel): Order, please. I regret to interrupt the hon. minister but the time allotted to him has expired.

Mr. Jamieson: May I continue, Mr. Speaker.

The Acting Speaker (Mr. Laniel): Is it agreed that the minister be allowed to continue his remarks?

Some hon. Members: Agreed.

Mr. Jamieson: Thank you very much, Mr. Speaker. I am just about finished.

A special commission recommended ways in which we could modernize the coastal boat services in southern Newfoundland and the ferry operations between the Island and Nova Scotia and many of these have been implemented. A similar commission is now examining coastal services in the rest of Newfoundland and Labrador. We have also, I might add, provided a federally subsidized ferry service across the Straits of Belle Isle and supported several other short-haul ferry services in eastern Canada, as well as in other parts of the country. This combination of projects will, I am sure, continue to bring about worthwhile improvements in the whole mix of our Atlantic transportation services.

For over two years I have been very conscious of the need to integrate various waterborne and air services into our transportation planning. In line with what I have said about the need to encourage industrial development, I have asked for a detailed examination of the advisability of providing some form of assistance for various raw materials originating outside the Atlantic region but which must be brought in in order to permit greater manufacturing and fabricating activity. I believe this is one important issue to which all of us should apply ourselves. You will appreciate that it is not an easy task for I believe that such assistance must be provided on a selective basis and only where there is clearcut evidence that industrial stability and expansion would result. In cases where such raw materials are most economically transported by water, it seems logical that this mode should not be excluded from consideration for subsidies.

I am also seeking means through which Labrador, that increasingly important area of Atlantic Canada, can be assisted through new transportation policies. Obviously the long term solution lies in opening up Labrador through a good system of roads, but this will take some time to achieve and in the interim I have asked for an assessment of the possible benefits of an extension of water and perhaps air subsidies to communities in this region.

• (1610)

What I have recounted today is only a little of the over-all story. We have seen over the past nearly 100 years how intractable some of our problems are in the Atlantic region, partly because of the unnatural geographic makeup of Canada but also because of many other factors, some of which I have tried to outline. I think it is now clear, with the benefit of hindsight, that simply arguing for lower freight rates is not the answer. I have no quarrel with the argument that transportation costs have to be kept as low as is reasonable, but I suggest that it does over simplify the problem. Nor is it entirely a matter of providing more and ever more public moneys. These have to be spent of course, and when the total from all departments is taken into account, as I have shown, the annual federal expenditures in this region are by no means inconsiderable, and they are increasing all the time.

If I may have the indulgence of the House for another moment I should like to make a few general comments. What we must do with these expenditures is to channel them to the maximum extent possible into the creation of a stronger, more permanent economic base. I do not believe that any member of this House from the Atlantic provinces would disagree with this objective. It will serve little purpose in the long run if we build roads at great

cost only to find that their main purpose is to speed the movement of people out of the region. Lower freight rates will be of little consequence if we continue to face the present lamentably high levels of unemployment, and improved facilities for the transportation of passengers by air and sea as well as through surface modes will not constitute much of an attraction for people who just cannot afford to travel.

We must recognize far more than many of us do at the present time that government expenditures alone, no matter how lavish and well intentioned and no matter from what level of government they originate, simply cannot generate the kind of wealth necessary to give Atlantic Canada the level of services and the standard of living that will make those of us who live there feel that we are getting our fair share of Canada's prosperity. Only economic expansion with the fuller employment it offers can have the type of impact this region so desperately needs. I believe therefore that it is to this we must devote our major efforts and the undoubted talents that this region possesses, some of which are well represented in this chamber.

Let me assure the House that there will be no lack of federal enthusiasm and support for any worthwhile proposal that may be advanced. Let me be equally frank, however, in saying that like many of you we have reached the conclusion that there is little real future in pouring good money after bad or in supporting impractical schemes simply on the grounds that something has to be done.

As we enter the 1970's I have a growing feeling—and this I have not touched on at all in my general remarks—that the Atlantic provinces can become very attractive to an increasing number of Canadians who are being compelled by events to reassess their value systems. In short, I believe there will be a growing attraction in Atlantic Canada. Perhaps it is too narrow a word to describe it in terms of the tourist industry, but nevertheless I refer to the whole concept of people wanting to get away from it all. I do not mean that those who live in seriously troubled huge centres of population are likely to desert these in favour of the way of life most of us in Atlantic Canada presently enjoy. I do think, however, that if we take full advantage of our natural attractions and shepherd them well, and if we provide, as I think we can, decent means of transportation and opportunities for economic growth as well as for the development of the other important dimensions of our lives, we can look forward to steady progress and to the attainment of the goals that have eluded us so often in the past.

I want to thank the House for its indulgence in letting me complete this report, and I hope it provides some information to members.

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, whatever the policy is, it is bound to dance, sing and skip to the lilting cadence of the minister whenever we get around to hearing it, and it will follow the old familiar tune. There is no question about that. There were one or two things in the minister's statement this afternoon that I think need immediate comment, such as the indication from the minister of the proposed separation of Air Canada from the Canadian National Railways. Frankly, it comes as a surprise to me. It is a matter that has been discussed at some length in various circles.

We welcome the indication that study has been given to this matter, but I would express the caution that we be not overly hasty in this separation. We must maintain a political or institutional capability to control some concepts with respect to Air Canada, particularly that aspect of Air Canada that has to do with its national responsibility to serve Canadians from one end of this country to the other, not just in the most lucrative areas of the country. While we welcome the proposal, there is a necessity to project a note of caution with respect to it.

The minister indicated in a very clear manner, with respect to one of the major problems facing people in the Atlantic provinces, that he is in fact waiting for the premiers to agree. Hon. members are well aware of the necessity of coming up with some method of shifting the payment of subsidies from carriers themselves to some other aspect of the movement of goods, such as the shippers or subsidy. The fact the minister indicated that he is waiting for the premiers to agree on what is the best formula seems to me to be just another example of the length to which the minister and the government are prepared to go to avoid the required decisions, not only in Atlantic Canada where this has particular application but also throughout Canada. Western members who are deeply involved in the movement of wheat and who rely upon freight cars to move their product, are very much aware of the degree to which this government, while talking a lot, so far, has not been able to do much in a practical way.

We welcome some other comments made by the minister, such as the addition of substantially upgraded navigational aids for our airports, the upgrading of the runways, and so forth. These are all welcome. I regret deeply the indication from Air Canada of its intention to remove from the Halifax international airport its flight dispatch facilities as we are one of two areas of the world which have extreme difficulty with weather forecasting. The only other area that is as bad as ours is the Irish Sea. This is a matter to be regretted, and I think we must ask, as forcefully as we can, whether or not Air Canada has in fact received comments from the Department of Transport with respect to safety, and whether or not there is a prejudicial implication in the removal of the dispatch office from the Halifax international airport to Montreal. We wonder why there is a dispatch office at Toronto, another one 250 miles away in Montreal, and now they are planning to leave the next 1,000 miles of Canada without what is in my opinion a very necessary service, particularly with the unique weather forecasting conditions that arise in the Atlantic area and especially in Nova Scotia. The dispatch office at Halifax serves not only our own area. It serves Saint John, Fredericton, Moncton, St. John's, Newfoundland, Gander, Stephenville, Sydney, Yarmouth, Boston, Bermuda and New York. It is a service that has come to be relied upon by trans-oceanic pilots, particularly because it is in the middle of a very unique weather area. I suppose that the closer you are to the fire the greater is the heat. I wonder about the efficacy of this decision. I wonder about any decisions that are based on experiences elsewhere in the world that only take into

account fact, and not necessarily the particular circumstances surrounding what appears to be fact.

• (1620)

One of the reasons given for the removal of the dispatch offices from Halifax is that one of the major U.S. airlines, I believe it is Eastern, has centralized all its dispatch facilities in Florida. The question is asked: if they can do it there, why can't we do it here? This seems to ignore the fact that there it is essentially a north-south operation, while here we are talking essentially about an east-west operation. In no other part of the Atlantic seaboard is there such a concentration of all the weather coming off the North American continent as there is in the Atlantic provinces.

I understand that this matter is presently under consideration. I urge that it be given the most thorough review possible, by transport officials, from the point of view of safety. It should be determined whether or not we are downgrading the safety of the operations of Air Canada. This is something that is important not only to us in the Atlantic provinces. There are only a dozen or so jobs involved, possibly 55 or 60 people involved. That is bad enough, but the important consideration is whether or not the removal of the dispatch office, together with its responsibility, to a site 1,000 miles away, taking into account the uniqueness of the weather situation in Halifax, is a wise decision.

We again warmly welcome the minister's indication that for the time being he will stay any reduction in the intra subsidy rate, the percentage reduction from 17 per cent down to a suggested 15 per cent. As I say, this is welcome. We hope that the studies which the minister is undertaking, and which he indicates he intends to continue undertaking during this stay of execution, will be fruitful, and that out of them will come the type of responses that are urgent and necessary to businessmen in the Atlantic area. In this connection I think most members of the House, particularly those from the Atlantic area, would welcome an early opportunity to examine the second report to which the minister made some considerable reference this afternoon.

The minister made a very forceful point with respect to the level and the impact of rail transportation, particularly within our region. He cited a lot of statistics. He will have to read them tomorrow to see just what in fact he was saying. For example, it would be interesting to ask how much of that $15 million was used to subsidize the movement of furniture out of the Maritimes, and thereby families, to other parts of the country. I am not at all sure that that major loophole in the decisions of 18 months ago has been corrected. If it has not, it is time that it was corrected. The very thing that the minister was commenting upon is indeed encouraged by the existing policies. The minister was correct when he said that essentially we must get the most advantage out of what we have available to us. That goes without saying.

Now, dealing with an entirely different area, Mr. Speaker, I wonder when the minister will be able to deal effectively with the establishment of independent port authorities. I would like the indulgence of the House to discuss

[Mr. Forrestall.]

this matter for a few minutes, and summarize the events of the last eight or nine years.

In 1963, the Glassco Royal Commission, in volume V of its report dealing with the organization of the government of Canada, at page 87, recommended, and I quote:

> Control of the seaports and airports now under review is centralized in Ottawa. This results in criticisms of standards adopted for capital works—too lavish to be economic but short of what local pride demands— of services provided, and of charges therefor. Internationally, the trend is to decentralize administration of harbours and airports, thus passing responsibility for capital and service standards to either municipal authorities or to local bodies created for the purpose. The geography of Canada being what it is, your Commissioners are of opinion that the aim should be to foster local pride and promote local participation, and to arrange that standards of works and services be such as to permit charges that are fair and reasonable.

On July 24, 1970, the Minister of Transport (Mr. Jamieson) told a news conference that the government would phase out the National Harbours Board and decentralize port management. He said, and I quote:

> All Canadian ports have different problems and decentralization would enable local authorities to deal with their own special problems in each area.
>
> The new national authority will act as custodian of all federal port property, recommend national objectives, establish tariff and user charges, and set guidelines for leasing, licensing and contractual agreements. Local port authorities will submit an annual budget to the central executive.
>
> The local authority will administer daily operations including traffic promotion, maintenance, property and lease hold management, and planning analysis for long and short-terms. It will also handle capital investment, co-ordination of port development planning and liaison with local governments.

That sounded pretty specific to me, and I am sure it did to a lot of other Canadians. But about a year later the minister had changed the emphasis slightly. In a statement on May 12, 1971, he said:

> I am convinced that the federal role can be achieved best through the closest co-operation with the provincial governments and even more particularly with those concerned with the particular ports themselves.
>
> I propose to create local port authorities for each of the nine major ports now administered by the National Harbours Board.
>
> I also emphasized the greater emphasis which was to be given to decentralization of responsibility and to the concept of financial viability through the balanced use of the principle of cost recovery. The new ports policy is not only consistent with this objective, but an important step in carrying it forward.

A point of interest will always be the extent to which shipping in the St. Lawrence will pay on the principle of cost recovery on winter arrangements for the support of navigation. Throughout the winter information is available on the constantly changing ice situation, advice on the easiest routes to follow, and icebreakers are available to escort ships through difficult areas. If they happen to be there on flood control duty, well, that is the way we tend to approach these problems. Then, there are all the additional services and projects on the St. Lawrence that have been added since the above details were provided by the then parliamentary secretary to the Minister of Transport in reply to a question on December 20, 1967. Sometimes one may be forgiven if one suspects the minister has a policy of granting subsidies to the wealthy, and payment on a cost recovery basis for the poorer provinces. This is

particularly true if we look at the additional charges on oil shipments, when they are brought into the picture.

On October 8 last year the minister stated in reply to a question put by the hon. member for Moncton (Mr. Thomas):

I cannot do the latter, that is, announce the make-up of the nine port authorities. I can say, however, that most of the problems have been resolved.

• (1630)

In the Atlantic region, Mr. Speaker, we are still waiting for the local Port Authority. We are waiting to see whether it can foster the pride suggested by the Glassco commission some nine years ago. Not only are we waiting for the degree of decentralization which the present minister has designed to give to ports so far, but there are considerable fears that the new local Port Authority will in practice only add yet another level of administration. The best we are promised—and promised and promised and promised—falls far short of the effective decentralization envisioned and recommended by the Glassco commission. It is difficult to imagine that the time delay, even under a local Port Authority, in port capital development projects would be shorter than at present, with the submission requirements for annual budgets, closest co-operation with the provincial government, national objectives and guidelines, not to mention the minister not being able to make up his mind.

Such is the dynamic speed with which the Minister of Transport acts that in his May 12, 1971, statement to the House he was able to reiterate the following vague outline some eight years after the Glassco Royal Commission reported:

Details concerning the responsibilities and make-up of each of these authorities will be worked out through consultation.

Isn't that a wonderful thing? It is exactly what we want?

In general terms, I can say that each group will be as representative as possible of all local interests, including management and labour, municipal and provincial authorities. Each will have a good deal of autonomy, including consultation in the appointment of port managers—

Hah!

—the preparation of budgets, forward planning and all other important matters.

When compared with the minister's statement a year before at the Transport and Communications Committee on April 9, 1970, we are able to see clearly the inability of the minister to make a significant advance in the decentralization of the administration of the ports of this country.

In fairness to the minister, he did indicate that he felt the big problem was trying to define the levels of responsibility and authority both of the local manager, or whatever it would be titled, and the national body. That is a direct quote, "of the national body". I thought we were going to decentralize but here we are talking about a national body. The minister went on to say:

This is an extremely intricate arrangement and, as I said this morning, I do not believe that you can apply it in precisely the same way at every port across the country—you have to take local conditions into account.

CNR and Air Canada

Mr. Speaker, a principle is a principle. How it is applied in different areas may differ but the principle remains. Either it is hollow or it is not.

As recently as October 8, 1971, the Minister of Transport stated:

It is the intention of the government to locate one member of the National Harbours Board in the Atlantic provinces, but where he will go is the key question, as the hon. member well knows.

If the location of the regional member of the National Harbours Board is a key question, he will obviously be important in the determination of port policy and decisions. If he is that important, it is also evident that the decentralization is not intended to be significant. The minister cannot have it both ways simultaneously.

Either the regional National Harbours Board representative will be important or we will have effective decentralization. This would place in the hands of our communities the major portion of the responsibility for the operation of those ports.

Yet, decentralization is essential if we are to avoid the kind of federal mismanagement which led to the development of two container berths at the south end of Halifax over opposition and in face of the accusation that you are rushing out to do something because somebody said it had to be done. I agree that it had to be done and it has given Halifax a significant jump in capturing containerization markets in North America. We wanted that and we welcome it, but I still make the point that the absence of a local authority led to what most people in the Halifax area agree was an unwise location. Now, we have prospects of an immediate expansion of this capability at an alternative site which should have been developed initially and which would have been capable of expansion. At least ten berths could have been provided at one site instead of the split site operation now to be imposed on the port of Halifax-Dartmouth. At present it is difficult to see how the limited decentralization promised by the minister and as yet not realized in the Atlantic provinces will be able to resist adequately the present government's penchant for error and short sightedness. I hope they will not repeat the errors that have been made to date with respect to the management of our ports.

In view of the many disadvantages suffered by the Maritimes, it is something of a blow to find that geographical nearness to European markets is no advantage since it is costing shippers at the Montreal railhead the same as at the Halifax terminal to send goods to Europe. This, despite the $80 to $85 cost of sending a 20-foot container from Montreal to Halifax. How do you rationalize these things?

The whole transport policy of the government must be clearly stated so that informed criticisms and economic responses may be made, particularly by the people directly affected. In recent days in this House we have heard members from the western provinces pleading for boxcars to move their grain to market. Why have we not got them?

Some hon. Members: Hear, hear!

Mr. Forrestall: We get excuses such as in wintertime this or that cannot be done. That is nonsense. You do it. If

there are not enough boxcars, then buy some more or rent them from the United States.

Mr. Benjamin: You would think this is the first year we have had snow.

Mr. Forrestall: My colleague from Prince Edward Island spoke about the lack of refrigerator cars for moving potatoes from the island. What in God's name can be the rational excuse for not being able to move our goods to market? We give these companies millions and millions of dollars year in and year out, yet our farmers cannot sell their wheat because they cannot move it. This is lunacy, and I cannot understand it. I can only suspect that the same situation obtains when the minister stands up and says in such a convincing way, "That is a great question; glad you raised that. We were talking about that just this morning and I am going to have something done about it before tomorrow. If the hon. member will give me a couple of days we will straighten it out". Then, you never hear of it again. It is the same with boxcars for moving wheat and refrigerator cars for moving potatoes, the same thing with fish.

Mr. Benjamin: Every year for four years.

Mr. Forrestall: Yes, but I am not worried so much about the past as what it augurs for the future. We have had talk about this for months. Are there not enough boxcars in Canada to move grain? Why not? If the CNR has not got the initiative to get them let's sell it to some enterprise that can build the boxcars.

Mr. Benjamin: No, no, don't do that; it is worse in the CPR.

Mr. Forrestall: I am not sure which is the worst.

Mr. Speaker, this is what I have been trying to illustrate on the subject of national ports—the minister is emphatic about something and everybody talks a lot but nothing happens. Of course, these problems pose difficulties; but please do not tell us that they will be resolved, that they are being worked on and that they will be squared away the day after tomorrow when, actually, you do not have the foggiest idea as to where in the world you are going. Do not mislead people. If there are not enough boxcars, do something about it. Do not simply admit the shortage and do nothing, which is what is now happening. Western Canadians and people living in the Atlantic region deserve somewhat better treatment from their national transport system than the sort of treatment they have been getting in recent years. There is a need to resolve our problems in the east as well as in the west. I think most problems could be resolved if people spent more time working them out instead of talking about them.

• (1640)

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, I notice that the Parliamentary Secretary to the Minister of Finance (Mr. Buchanan) is covering the debate on behalf of the minister.

Mr. Benjamin: That's a lot of help.

[Mr. Forrestall.]

Mr. Thomson: I think, perhaps, that it is. I have found the parliamentary secretary a hard working fellow and conscientious. Moreover, he does his homework. If he is to solve the problems that have been raised in this debate, he will have to work at night, too. I want to talk about some problems. I hope he listens to suggestions that I and others might make and, hopefully, deals with some of these matters.

In my hand I hold a collection of newspaper articles which deal with more export trade for Canada. One column in the *Globe and Mail* is headed, "More Pacific trade predicted by Pepin". That is okay. I hope that this is not merely a pep talk by the Minister of Industry, Trade and Commerce (Mr. Pepin). Logically, we can expect more Pacific trade, and I hope it will come about. I hold here a news release from the Canada Department of Agriculture. In it the Minister of Agriculture (Mr. Olson) refers to record export sales of agricultural products. I hope that the statements in the release are not merely political statements. I come from an area which exports agricultural produce, and we want that trade to continue.

I now pick up a report from the Saskatchewan Wheat Pool which refers to the new trade agreement involving wheat sales to Russia. The first paragraph says that Canadian grain producers are assured of good wheat deliveries; the author assumes that we can get the grain to market, of course. Then, I pick up a copy of a speech which was delivered by the hon. member for Saskatoon-Humboldt (Mr. Lang), otherwise known as the minister in charge of the Wheat Board. He spoke in Thunder Bay about transport matters. I tell you, Mr. Speaker, he certainly makes a good speech. He knows all the details and talks of what should be done with new and modern methods of transport and so on. But you know, Mr. Speaker, that is not enough. Making studies or studies of studies is not enough. There comes a time when you must decide to act on the basis of those studies. That is where I criticize the present government. We have seen more white papers and studies during the last four years than in any previous four-year period in Canada's history. Some of those studies have been wonderful. However, when it comes to doing something constructive to meet some of the problems uncovered by those studies, the record of this government is not so good. I hope the parliamentary secretary is listening.

I want to say something about shipping grain to the west coast, or about trade and the west coast, if you will. The bulk of my remarks will be on that theme. In that connection I have in my hand an article that I wish to quote from extensively. It comes from British Columbia and is entitled, "Is Vancouver's port strangling?" It is written by John Clarke and reads in part:

> The end of the U.S. West Coast dock strike will only partially relieve pressure on the port of Vancouver. The port's basic problems are made in Canada or, more precisely in the words of Vancouver officials, in Ottawa.
>
> For weeks upward of 20 ships have been lying idle in English Bay unable to get to a berth to load cargo. Already prairie grain farmers have lost $3-million this winter, the cost of penalties for late deliveries from West Coast ports.
>
> Exports through the port this year are expected to be 43 million tons, nearly 22 per cent higher than in 1971. Shipments last year totalled 35.3 million, which was 30 per cent higher than in 1970.

Clearly, it looks as if trade is growing. I continue:

These statistics show Vancouver to be not only the busiest port in Canada but the busiest on the West Coast of North America. Only Long Beach, Calif., comes close. It handled about 27 million tons last year.

Most of the shipments through Vancouver are in bulk cargo—grain, sulphur, coal. Grain shipments have been held up not only by trouble at the port but because of delays on the railways which have been blocked by more snow slides than at any other time in memory.

The view of shipping people here is that the rail delays merely emphasize the lack of co-ordination in transportation systems that is slowly strangling the port. One official said this week: 'It's too late now to do anything about 1972. The port has been oversold and we're going to pay the consequences.'

But officials are looking beyond 1972. The startling increase in port volume forecast for this year is regarded as a portent of even greater problems ahead ... The federal government has said it expects much of Canada's economic expansion in the years ahead to take place in the Pacific.

The federal government in this case means the Liberal party, Mr. Speaker, and they expect some trade expansion in this area.

Vancouver is the main funnel for east-west trade and the volume it will be asked to handle sends chills through port officials. The feeling is that Ottawa still does not—

I underline "still does not."

—appreciate these problems. A remark by Transport Minister Don Jamieson last November struck shippers as rather heartless and cynical. He said: 'I don't have a dollar's worth of business that I can justify expenditure of public funds on.' Delegation after delegation has gone to Ottawa in search of a listening ear and found none, even though Vancouver has been blamed by western farmers and businessmen for not living up to its responsibilities.

Vancouver can't do anything without a nod from Ottawa. The appointment earlier this year of a long-awaited Vancouver Port Authority raised hopes. But officials are puzzled by what they regard as a persistent lack of urgency in Ottawa's attitude. They have sought dock improvements, more up-to-date equipment, more container facilities not only as local amenities but as vital necessities for the good of the country as a whole.

Port officials believe the problem will have to be tackled on a broad scale. Rail and road operations will have to be dovetailed with improved port facilities in a total system that will provide alternatives when lines are blocked or delays of any kind are encountered. For instance, it's felt that much of the grain that's delayed between here and the Prairies could be diverted to U.S. rail routes.

I take exception to that suggestion. If we must use U.S. railroads, then we must. Surely to goodness, Canadian railroads will be able to haul this grain. I continue:

It's also felt that pressure in the congested Vancouver harbor area could be relieved if the increased bulk traffic were switched to Roberts Bank, 30 miles south of Vancouver.

That article, Mr. Speaker, sums up in language better than any at my command some of the problems afflicting the port of Vancouver.

May I also refer to a paragraph in the Palliser Wheat Growers Association bulletin or newsletter of February 29, 1972. It says that the Vancouver grain handling system can be termed a Mickey Mouse operation, and that that system appears to be obsolete. It goes on to say:

Improvements can still be made in it, but with limited trackage through Vancouver, and at the terminal elevators, coupled with the time-consuming cleaning process, it is very unlikely that the port can increase its throughput enough to allow for increased sales to Pacific Rim countries.

• (1650)

The point I am trying to make is this. The government has actively sought new trade in the Pacific rim countries, and for that I compliment them. They have not tied in the transportation with this important trade, nor do they appear to be looking at the problem as thoroughly as they should. If you are going to improve one line of your business, you have to improve some of the facilities that service the increased business. The government has been lacking in its efforts to do something about the problem with which it is faced.

There are some very urgent things that should be done at this time, even thought they may be temporary measures. I will only give some examples because I do not claim to be an authority on transportation. We might look into unit trains or renting diesel units or boxcars from the United States. Perhaps we could divert boxcars from other sources and, if necessary, have more overtime. We should do whatever is required. Let us not lose any business. In view of the unemployment problem in Canada, we should not lose any business. By giving some thought to this problem, we might create employment for some of our unemployed by supplying some of the transportation needs of this country.

With regard to long-term measures, we should consider another rail line to the west coast. Perhaps we should make more adequate use of the northern route. Judging from the use that is made of the port of Prince Rupert, one would almost think it was not there. Is Vancouver the only port in British Columbia? Possibly we should make better use of the port facilities at Prince Rupert. Why not expand this port and make more use of that route? I ask the parliamentary secretary if any study has been made of this route or any studies with regard to shipping grain out to Prince Rupert? Is consideration being given to making greater use of this route? Attempts should be made to solve this problem. I would be sympathetic if some mistakes were made. However, I am not sympathetic toward a government which sits on its hands and does nothing. In the field of transportation we have done nothing for too long, particularly with regard to shipping grain to the west coast.

I have been farming for over 20 years in a part of this country that has been faced with grain shipping problems. Whenever we have a big grain sale abroad, it is always said that we do not have the facilities to handle it. After 25 years, something should be done about this problem. It has been suggested that the CNR or CPR join one end of the PGE and use that route into Vancouver. I am not in a position to say whether this would be a good move, but I suggest that we look into it. These problems will get worse if we do not do something about them. If the organizing efficiency is not improved, we can count on the problem becoming worse. The government tends to react to emergency situations instead of planning in advance.

I want to commend the government on the block system on the Prairies. If the parliamentary secretary wants to take credit for this, that is all right. The block system is an improved system of handling grain. The many elevator agents, station agents and people involved in the movement of grain to whom I have talked have almost univer-

sally told me that this is working better. I thought perhaps the government and the parliamentary secretary would like to know there has been some reaction. For years farmers have argued that better use could be made of the boxcars. It has even seemed obvious to people living along the track that we should make better use of these boxcars. This system seems to be working better, and I commend those responsible for it.

I would like to talk for a few moments about the servo centre concept which has been suggested by the railroads. Some members of parliament presented briefs to the Canadian Pacific Railway hearings that were held on the prairies. Actually, this is something which both railroads are doing. It seems that the freight service on the Prairies, at least in Saskatchewan, has been downgraded as far as the railways are concerned. They are only interested in moving items that can be moved in bulk. Anything else is to be discarded at their earliest convenience.

May I call it five o'clock, Mr. Speaker.

The Acting Speaker (Mr. Laniel): Is the House agreed that we call it five o'clock?

Some hon. Members: Agreed.

[Translation]

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Laniel): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Saint John-Lancaster (Mr. Bell)—Pollution—Reconsideration of levies on oil tanker shipments to provide contingency fund in case of spills; the hon. member for Lotbinière (Mr. Fortin)—Unemployment Insurance—Montreal—Payment of benefits delayed—Investigation requested; the hon. member for Saskatoon-Biggar (Mr. Gleave)—Grain—Allocation of boxcars to increase stocks at Vancouver.

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

[English]

Mr. Grant Deachman (Vancouver Quadra): Mr. Speaker, I believe there is a disposition among parties to take up four bills relating to changes of names of constituencies. These are Bill C-55 standing in the name of the hon. member for Essex (Mr. Whelan), Bill C-74 standing in the name of the hon. member for High Park (Mr. Deakon), Bill C-92 standing in the name of the hon. member for Renfrew North (Mr. Hopkins) and Bill C-167 standing in the name of the hon. member for Trois-Rivières (Mr. Lajoie). If it is agreeable to hon. members, I wonder if these bills could be taken in that order.

[Mr. Thomson.]

The Acting Speaker (Mr. Laniel): Hon. members have heard the proposal of the hon. member for Vancouver Quadra (Mr. Deachman). Is this agreed?

Some hon. Members: Agreed.

PUBLIC BILLS

ELECTORAL BOUNDARIES READJUSTMENT ACT

AMENDMENT RESPECTING CHANGE IN NAME OF CONSTITUENCY

Mr. E. F. Whelan (Essex) moved that Bill C-55, respecting the Electoral Boundaries Readjustment Act, be read the second time and referred to the Standing Committee on Privileges and Elections.

• (1700)

He said: Mr. Speaker, when redistribution took place on the last occasion my riding changed an awful lot. It took in part of what was called old Essex-East and old Essex-West and part of the riding I represented at that time called Essex-South. Since then, the City of Windsor has annexed a large part of the suburban areas surrounding it. The city was part of my riding and is still part of my riding. The constituency I represent includes a large part of Essex County and also a large part of the new City of Windsor. The City of Windsor is a rapidly expanding industrial area. Many people have moved to the area in the last few years from other parts of Canada to find employment, and they did. Windsor has one of the lowest rates of unemployment in the country. It has one of the fastest growth rates of any constituency in southwestern Ontario. It has increased its number of voters by 10,000 since the last election according to the recent census figures.

Mr. Broadbent: They are all NDPers.

Mr. Whelan: I think the mayor of Windsor well described that group after the leader of the New Democratic Party went down there and said Windsor had not changed for the last 30 years. Even though these people may be supporters of the NDP they are not going to vote for a party whose leader does not recognize the great changes which have taken place in the city in the last 30 years, or in the last ten years, or in the last five years, if it comes to that.

It is important that this great constituency be recognized as part of the city and part of the county. I am, therefore, asking for approval of this proposal to change the name of the constituency from Essex to Essex-Windsor.

Mr. Edward Broadbent (Oshawa-Whitby): I listened with a great deal of interest to the reasons given by the hon. member opposite for changing the name of his constituency and I see no objection to this very sensible proposal. We on this side of the House feel it does not go far enough. We agree that a change in name is appropriate, but what most needs to be changed is the pervasive

and pernicious influence of the Liberal party. So, we are looking forward to a more substantial change after the next federal election.

Mr. J. A. Jerome (Parliamentary Secretary to the President of the Privy Council): Without getting into a discussion as to the validity of the last proposition, may I say a word about the motion from a procedural point of view? The motion as it stands asks that following second reading the question be referred to the Committee on Privileges and Elections. There have been indications from members on all sides of the House that it might be better if the motion were amended so that the question would be referred to the Committee of the Whole. There seems to be some disposition to finalize the matter today, and perhaps this could be done with the consent of hon. members.

Mr. Heath Macquarrie (Hillsborough): I am enjoying the humorous exchange between the mover of the motion and the hon. member for Oshawa-Whitby. Perhaps, when the chips are down, they will have had the fun and we shall have the seat.

The suggestion of the parliamentary secretary is a reasonable one. It is a tradition in the House that members requesting changes in the names of their constituencies receive the approval of their colleagues, and we are all in favour of expedition.

The Acting Speaker (Mr. Laniel): The House has heard the proposal of the parliamentary secretary. Is it agreed that the motion be changed accordingly? Perhaps we could agree to change the wording of the other similar motions so as to refer each of these bills to the Committee of the Whole House instead of to the Standing Committee on Privileges and Elections.

Some hon. Members: Agreed.

The Acting Speaker (Mr. Laniel): I wonder if the House would also agree to proceed with the motions for second reading of the remaining three bills, at this time? We could then study all four bills in committee of the whole without unnecessary loss of time.

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and referred to the Committee of the Whole.

Mr. Walter Deakon (High Park) moved that Bill C-74, respecting the Electoral Boundaries Readjustment Act, be read the second time and referred to the Committee of the Whole House.

He said: Mr. Speaker, the purpose of this bill is to change the name of the present federal constituency of High Park to High Park-Humber Valley. This change is asked for following the circulation of a questionnaire among constituents of the said riding, the result of which indicated that a majority desired the name to be changed. At present this federal constituency consists of parts of four provincial ridings, High Park, Humber, York West and York South. It contains within its boundaries two main parks, High Park and Humber Valley Park, one on either side of the Humber River. It is a very diversified riding and I submit that the change in name would result in a more accurate description of its component parts. I there respectfully solicit the support of the House for the passage of this bill.

Motion agreed to, bill read the second time and referred to the Committee of the Whole.

Mr. Leonard Hopkins (Renfrew North) moved that Bill C-92, respecting the Electoral Boundaries Readjustment Act, be read the second time and referred to the Committee of the Whole House.

He said: Mr. Speaker, the reason I ask for this change of name is, I believe, a very valid one. As the result of the last redistribution, my constituency of Renfrew North doubled in size. It is now the largest of the 77 constituencies south of North Bay in Ontario.

The riding consists of 49 townships in the District of Nipissing and 15 in the northern part of Renfrew County in addition to the City of Pembroke and the towns of Deep River, Mattawa, Bonfield and several villages, including Petawawa. The northern part of Renfrew County should not be identified with the town of Renfrew itself because the town of Renfrew has never been in the constituency of Renfrew North. There has always been some confusion over this; when I mention the name of my constituency people automatically begin talking about the town of Renfrew. It is my desire to retain the traditional name, Renfrew North, but to add to it Nipissing East so as to take in the 49 townships included in that part.

The County of Renfrew is the largest county in the province of Ontario and it is divided among three different constituencies and is part of each. It is my desire to consolidate these in Renfrew North—Nipissing East so that all the areas in the constituency shall be identified in the name of the riding.

Motion agreed to, bill read the second time and referred to the Committee of the Whole.

• (1710)

[*Translation*]

Mr. Claude-G. Lajoie (Trois-Rivières) moved that Bill C-167, An Act respecting the Electoral Boundaries Readjustment Act, be read the second time and referred to the Standing Committee on Privileges and Elections.

Electoral Boundaries Readjustment Act

He said: Mr. Speaker, the main reason for my asking that the adjective "metropolitan" be added to the name of my riding of Trois-Rivières is that my riding really includes Trois-Rivières, Cap-de-la-Madeleine and Trois-Rivières-Ouest.

I am making this official request because the citizens of those three cities have asked me to do so, and also to avoid the confusion that exists between the name of the provincial riding and that of the federal riding. I must add that the provincial riding does not include Cap-de-la-Madeleine, a city which has a population of 32,500.

The Acting Speaker (Mr. Laniel): Order. I understood that the hon. member wanted to bring a correction to the French version of the bill. Is this the case?

Mr. Lajoie: Mr. Speaker, a slight printing error did, in fact, slip into it. The French name is "Trois-Rivières-Métropolitain", whereas in English, this comes out as "Metropolitan-Trois-Rivières". This is just a printing error, I think.

The Acting Speaker (Mr. Laniel): The correction can be made in committee. May I dispense with reading the motion?

Some hon. Members: Agreed.

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

Some hon. Members: Agreed.

[*English*]

Mr. Deachman: Mr. Speaker, just before the bill carries—and I hope I am intervening in time—do I understand that it is the intention of the Chair to recognize the mistake to which the hon. member has drawn attention in the English text, and that the electoral district will appear as "Trois-Rivières-Métropolitain" in French and the equivalent in the English version?

The Acting Speaker (Mr. Laniel): That is agreed. As I have said, the correction can be made in committee of the whole, and then the bill reported as amended.

Pursuant to special order the House will now go into committee of the whole on Bills C-55, C-74, C-92 and C-167.

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

The Deputy Chairman: The committee will now examine Bill C-167.

On clause 1—*Metropolitan Trois-Rivières.*

[*Translation*]

Mr. Lajoie: Mr. Speaker, I understand your question very well. In other words, the name of the constituency in French as in English would read "Trois-Rivières-Métropolitain".

[*English*]

The Deputy Chairman: From a procedural point of view it might be preferable to have another hon. member move the amendment. However, is it agreed that the translation be amended to read "Trois-Rivières-Métropolitain" instead of "Métropolitain Trois-Rivières"?

Some hon. Members: Agreed.

Amendment agreed to.

Clause 1, as amended, agreed to.

Title agreed to.

The Deputy Chairman: Shall I report the bill?

Some hon. Members: Agreed.

Bill reported, read the third time and passed.

CONSIDERED IN COMMITTEE—THIRD READINGS.

Bill C-55, respecting the Electoral Boundaries Readjustment Act—Mr. Whelan.

Bill C-74, respecting the Electoral Boundaries Readjustment Act—Mr. Deakon.

Bill C-92, respecting the Electoral Boundaries Readjustment Act—Mr. Hopkins.

Mr. Jerome: Mr. Speaker, I think there is some disposition, now that all these electoral boundaries bills have been disposed of, to call it six o'clock.

Mr. Deachman: Mr. Speaker, on a note of personal privilege and before Your Honour leaves the Chair, could I remind all hon. members of the showing of "The Tenth Decade" in the Railway Committee Room commencing at seven o'clock this evening.

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

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

CANADIAN NATIONAL RAILWAYS AND AIR CANADA

PROVISION FOR CAPITAL EXPENDITURES AND GUARANTEEING OF SECURITIES AND DEBENTURES

The House resumed consideration of the motion of Mr. Turner (Ottawa-Carleton) that Bill C-4, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways system and Air Canada for the period from January 1, 1971, to June 30, 1972, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company and certain debentures to be issued by

Air Canada, be read the second time and referred to the Standing Committee on Transport and Communications.

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, before five o'clock I had intimated I wished to speak for a few moments about the servo-centre concept introduced by the railways. This may or may not be a good concept; perhaps time will supply the answer in this regard. It seems to me, however, that the hearings in western Canada were an exercise in futility. Several members of parliament, the Senator from Saskatoon and a great many individuals from different communities in Saskatchewan, presented briefs at those hearings. For all practical purposes the hearings might not have been held, because in this case the CPR was given leave to introduce the services it sought to introduce. I am concerned that railway service has been downgraded, at least in western Canada, an area with which I am quite familiar. It may be that we should not expect to have some of the services we have had in the past in little villages, but it would seem that at least there should be some, if you like, over-all concept of freight service to the people of these areas. I suggest there is no such service.

In the past there have been unilateral changes of position by individuals and groups who have needed a particular freight service. I refer specifically to federal government changes. First, there is the mail service. At one time the railways provided this service, and finally the government, by putting its trucks on the road or through contract took the service from the railways and provided it in a different manner. Similar changes have been made by various organizations picking off a little business here and there, as it were. Not much in the way of service which paid was left to the railways.

We have Federated Co-operative Trucking using its own trucks, we have the dairy companies hauling their products, we have the buses hauling people and the trucking lines providing services. The business that was left was not profitable for anyone. It would seem to me very unfortunate that such a situation has arisen, at least in our prairie districts, because it means downgrading of service and economic activity. The result is that people are being forced out of business because they do not have the freight service which is necessary to remain operational. We might take the example of a garageman who must be able to obtain parts in order to repair vehicles. When he was unable to do this because of existing freight services he went out of business or moved to another location where these services could be provided. We have seen much of this in the Prairies.

• (2010)

I could talk at length on this matter but it seems to me we are beating a dead horse. We on this side of the House are not very happy with the way in which the government has managed transportation by rail. We are not satisfied with the way in which the government has handled the pensions of CNR employees. Also, we have complaints about lack of policy and future planning of freight needs. Earlier this afternoon I indicated that Canada's trade with the Orient has increased by leaps and bounds but that transportation service to the west coast has not improved. We find that the capitalization of railways has been inadequate in view of the transport needs of the nation. For these as well as other reasons we do not believe the government is entitled to a vote of approval by this House. Therefore I move, seconded by the hon. member for Kootenay West (Mr. Harding):

That Bill C-4 be not now read a second time but that it be read a second time this day six months' hence.

The Acting Speaker (Mr. Boulanger): Hon. members have heard the motion of the hon. member for Battleford-Kindersley (Mr. Thomson). It seems to me to be a proper amendment and the House will proceed on that basis.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I should like to make a few comments on Bill C-4, the annual CNR financing bill. We must remember that the history of Canada in the past 100 years has been largely the history of the railroads, at least in relation to that part of the country west of upper and lower Canada. Because this is a debate which arises every year it provides me with an opportunity to present a few ideas on railway transportation in western Canada in particular.

I should like to say a few words regarding CNR transportation in the Hudson Bay area and the town of Dauphin which I represent. Although the comments I will make are in many respects local, in total the changes are indicative of what is happening all across the country. I am referring to the CNR changes from so-called areas to so-called regions. These changes from area management to centralized regional management have caused considerable disruption of CNR personnel and have been the cause of widespread fear that small communities will lose out so far as jobs and services are concerned. As was stated by the last speaker, there is great disillusionment in western Canada and the feeling exists that many small communities will disappear because of the attitude of the railways, particularly of CNR, with regard to the area that I represent.

The changes mean, in effect, that jobs will be moved from smaller communities to areas of greater concentration such as, in the case of my riding, Winnipeg. It has been said that this area type management has created a situation where there are 18 small railroads corresponding to the number of areas created by the CNR. If this is the effect of the so-called area concept it means that ultimately there will be considerable disruption in the towns and villages which the CNR services, and in fact this is what is happening.

For years the CNR seems to have been making much of the transportation policy for western Canada, and the inactivity and unresponsiveness of the federal government to the needs of the people has been detrimental to western Canada. From the practical point of view, the fact that the CNR has its main office in Montreal means that it views the problems of western Canadian transportation in the context of its location there. We cannot quarrel too much with that, but I think that probably the CNR management does not realize the dependency of western Canada on the railways and the lack of alternative methods of transportation which are available in the east. It has neglected the fact that there is lack of competition in western Canada, which is not the case in the east. The trucking industry has introduced a measure of competi-

tion in western Canada but there are many bulk commodities such as grain, fertilizers, and so on, that must travel by rail. The concentration of CNR management in Montreal makes it unlikely that on-the-spot decisions will be useful to western Canada.

At present the Canadian National transportation, reporting and control system has been introduced in Montreal and the final phase of the TRACS program is to be implemented by 1975. Ultimately, the whole CN system will report to a computer in Montreal. This facility will process the data fed directly into the computer from operations in the field. The information thus obtained will be returned directly to the operations in the field in the form of advance train notices, bypassing the present regional control centres. The information could, and probably will, be used as a basis for administrative decisions, which will greatly reduce the need for regional administrative people. The objectives of the program are commendable if the costs of transportation are reduced and better service is provided to the public.

We will have to live increasingly with the changing technology which will result in the considerable decrease of CN jobs in Manitoba, most of them in Winnipeg. It appears that the centralization which has occurred so far with respect to Winnipeg and other regional operational and administrative centres has been only an interim move. Probably the most significant feature of this centralization of the CN is that the decision-making process will be further removed from the action, at least so far as the west is concerned. Policy made elsewhere will govern, in some measure, day to day life in Manitoba and other parts of the west. This illustrates return to an attempt to control from Montreal substantial segments of the life of western Canada. The CNR, by circumstance, has become a government corporation controlled in the main by federal prerogative. To concentrate the decision-making process so far away from many regions can lead only to misunderstanding. Modern centralization might be advantageous at times and necessary in the interests of efficiency, but centralization of control of a transportation system that is so vital to western Canada should not be carried to this extreme.

• (2020)

Phasing out the area system with respect to the Hudson Bay region may well be followed by the downgrading of other regions in favour of more centralization in the east. The net result will be loss of jobs in smaller communities and a feeling of remoteness on the part of employees and of the public served by the CNR. The CNR seems to allow situations that are not good to develop, and takes a long time to correct them. But once it starts something the CNR seems to overreact and to create other situations that are not good.

In phasing out station agents in various parts of western Canada both the CNR and the CPR have opted for servo-centres. Presumably, the idea of the servo-centre is that it will give better service to the customer—but it eliminates the station agent in small communities, a person who acted as a public relations man as well as the business agent for the railway. Where conditions are such that a trucker can undertake the work previously done by the railway, he will have the benefit of residing in a small community and personally serving business establishments. Servo-centres are impersonal and business contacts with them may be difficult. The inauguration of the servo-centre idea means that the railway has opted out of the business of less than carload lots in carrying freight.

The concept of phasing out an area has created considerable dislocation and alarm in the town of Dauphin due to the possibility of people moving from the area. So many misgivings were expressed by the mayor and council of the town of Dauphin that the CNR issued a public statement in February, 1971. The gist of the statement was that the CNR claimed that 27 jobs would be transferred from Dauphin but 24 new jobs would be created in the servo-centre, meaning a net loss of three jobs. It also suggested that when centralization was completed, possibly another 14 jobs would be transferred or abolished, making a grand total of 17 jobs lost. The CNR also claimed to know of no further plans for attrition. It stated that Dauphin would remain an important rail centre and that any further movement of employees would represent only a small percentage of its work force in Dauphin. In February, 1972, the CNR issued another press release in Dauphin stating that the net employment loss in the town was 39. Canadian National employee groups claim that there has been a loss of 69 positions and the creation of only seven new ones, making a net loss of 62.

The community has lost employment supervisors and staff, an area engineer and complete engineering department staff, an accounting supervisor and staff, an equipment supervisor and staff, bridges and building foremen and staff, administration or general offices and staff, freight and passenger sales supervisors and staff, superintendents of transportation and staff, a road foreman of engines and staff, supervisors of car distribution and work equipment and staff. Again, the CNR has stated that Dauphin will remain an important rail centre, but it does not yet seem to have decided what departments will finally remain there. The phasing out of management in this area has created considerable disquiet. It has caused loss of jobs and has detracted from the importance of the community. Whether railway operations will show increased efficiency remains to be seen. I would hope that when the CNR makes changes affecting small communities it will demonstrate forbearance and will be absolutely sure that the changes it makes will provide a better transportation system.

I would now like to mention the problem of the railway running into the port of Churchill. The possibility of record grain sales this year seems to present a transportation problem. These projected record sales are given in terms of bushels, not in dollar value, and it should be remembered that Canada does not export much more agricultural produce than it imports. There have been reports of ships waiting in Vancouver harbour to be loaded with wheat. There is widespread feeling that more use should be made of the port of Churchill, thus further diversifying our grain handling ports.

Increasingly the railways have been accused of not being able to move sufficient grain to the west coast or even to the lakehead and Churchill. One of the methods by which the port of Churchill could be made more useful would be to undertake an increase in storage facilities at

the port. These should be increased to handle up to 20 million bushels. This would allow a much more orderly movement of grain out of Saskatchewan and Manitoba and would provide a steadier use of the Hudson Bay railway line. In this way there would be no necessity for the grain rush that occurs each June in order to get the port of Churchill opened.

Enlarged storage facilities would double or triple the amount of grain that could be shipped out of Churchill. In the cold climate of Churchill the storage of grain can be undertaken with minimum risk of spoiling. It is generally considered that the structures required to store grain there could be relatively inexpensive. If adequate types of grain were in storage at Churchill it would do much to minimize the bottle-necks that occur in the railway system in delivering wheat to the west coast and other grain handling ports.

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I have just a few brief remarks to make on this bill to legalize the granting of money to Canadian National Railways, most of which money already has been spent. It goes without saying that railway lines are being abandoned right across Canada. To many people, particularly those in rural areas, this is foolish. If Canada is ever to achieve the potential that we all seek and which is envisaged by the statisticians, railroads are necessary for its growth. Why abandon rail lines and tear up the tracks now, only to relay them later? We have a startling example of this in the electric railroad that used to run north from Toronto through Thornhill, Richmond Hill, Newmarket and Aurora right up to Lake Simcoe. It was abandoned, but now traffic on Sundays is so congested that travel is almost impossible.

• (2030)

Canada, and Ontario in particular, is growing rapidly and will require more food. We shall also have to produce food for sale abroad. It is estimated that at the turn of the century the world's population will be over six billion; therefore more food, more space and more transportation will be required. As we see it now, additional transportation will have to be provided by motor car, train or bus, making for even greater problems of pollution caused by exhaust fumes and litter on the highways. We should realize that every foot of pavement we lay stops the production of oxygen from our plants and trees.

The automobile is our major source of pollution and we cannot but be alarmed when we see cars with only one or two occupants. A good example of what pollution can do can be found at the international airport at Malton. In the unloading area it gets into your eyes and you can even smell it. We must stop using for the construction of highways arable land that provides food and oxygen. We must stop driving cars, which create two-thirds of the pollution in our cities. Transportation must, therefore, be by rail or large buses. It is said that people will not travel by rail. But, Mr. Speaker, if we provided a speedy, clean rail service, people would travel by rail. But now they are not given this choice. The speed of trains today is about the same as it was 50 years ago. The old International Limited was fuelled by coal and run by steam, but it made the Montreal to Toronto run as fast as the trains do today—and it had to stop to take on water and fuel!

Trains serving Simcoe county have been cut off until in an area of about 100,000 people there are two trains daily; one down to Toronto in the afternoon around 2 p.m. and one up at 5 p.m. leaving Toronto for Vancouver. This is the daily train service except for the dayliner at weekends, which is always crowded. The Supercontinental is supposed to go through Orillia at 2 p.m., but it is often 12 to 14 hours late. Who is going to sit around a station for that length of time? How can people travel by rail when the service is once a day each way at haphazard hours? People cannot afford to rely on this type of service when they have appointments to keep. A few days ago there was a snowstorm in the area and the train was stuck for three hours between Washago and Orillia. The railway had to send to Toronto for the snowplow to come to the north country and dig out the train. That is the type of transportation system we have in Canada today. I should say, also, that the train was 14 hours late. People will wait once and will learn not to do it again.

In London, England, trains come into the station every minute or so. The same thing applies in Europe: trains run on schedule. We are supposed to have a lot of technology in Canada, but even so we cannot get an efficient railway service. Yet Sir John A. Macdonald, that great old Tory and Father of Confederation, was responsible for our building a railway across Canada by pick and shovel and mule train.

In Japan, trains run up to 150 miles per hour, about twice as fast as ours. But our transportation system is run by an ox-cart philosophy. In other words, the transport commission is run by a man who was once a cabinet minister and who created the job for himself. I do not know whether he set the salary, but there he sits, not responsible to parliament except that he comes here after the money has been spent and asks us to pass the bill.

An hon. Member: He is certainly not earning it.

Mr. Rynard: Mr. Speaker, I suggest that control of this railroad should be brought back to Parliament.

Some hon. Members: Hear, hear!

Mr. Rynard: The National Transportation Act, which gave this gentleman his job and set up this commission, should be repealed.

Some hon. Members: Hear, hear!

Mr. Rynard: The railroad is neither adequate nor efficient.

Mr. Benjamin: How about the government?

Mr. Rynard: You could probably say that about them, too. The subsidy passenger clause which reimburses the railway for 80 per cent of its losses should be removed. There is not much incentive to run a good passenger service and make it pay under those circumstances. A railroad running on schedule at satisfactory hours during the week would carry many people to work and cut down dramatically the one and two-passenger automobiles hurrying to work, polluting the atmosphere, crowding the

roads and using up parking space. A re-examination and reorientation of railway service in keeping with the last half of the twentieth century must take place right away. The first thing to do, Mr. Speaker, is to get rid of the Canadian Transport Commission and bring control back to parliament, to the representatives of the people.

I should like now to make a few remarks about airports. It is my opinion that as far as possible airports should be constructed on waste land. Failing that, we should use water transportation as far as possible. I say this from the standpoint of an airplane landing, from the standpoint of pollution and from the standpoint of usage of land. An airport should be far enough away from urban centres so that people do not suffer excessively from noise and pollution.

I have been wondering about the new airport proposed for Brougham, a town near Pickering. It makes one pause and wonder why good farming land so close to the city of Toronto would be taken. It is within 30 miles of Toronto and will add to the pollution of that area. There is also talk about establishing another city of 200,000 people in the area. Yet this government talks of green belts and regional development and doing away with pollution. One wonders why the government is doing what it is. Why is it taking over good, arable farmland that over the years could produce cereal grains, beef cattle, hogs and chickens—food that we will need when our population increases? By paving that beautiful, arable farmland you also stop the production of oxygen from trees, grass and other plants. Therefore, not only are you adding to pollution; you are stopping the creation of oxygen. It seems to me that the government could have used waste land which is less productive. I am thinking of level areas north of the proposed site that is waste or poor land. Such land is not economically viable as farm land. Why could not the government have used that?

• (2040)

I also wonder why we must take two bites at the cherry and build two airports. There is to be an international airport at St. Scholastique, Quebec. Now there is to be another one at Pickering, making two large airports for the Toronto area. Why must we take two bites at the cherry and run backward and forward across Toronto between one airport and the other? What is the purpose of putting the airport there? My question is as simple as that.

The minister is the person who says where national and international airports are to go. The other day in the House I asked why the proposed site has been chosen, but he had nothing to say and made no statement in the House. I suggest that parliament and the people are entitled to know the government's reasons for putting the airport at the proposed site. Perhaps there are good reasons for putting it there. If there are, give them to us. It now appears, that the airport will not be large enough, if the forecasts of statisticians about the size of the population in the area are correct. If their forecasts are right, my argument will be strengthened. I do not know, and not many in this House know why the government is putting the airport there. I think parliament has the right to know.

Some hon. Members: Hear, hear!

[Mr. Rynard.]

Mr. Rynard: I say this because Parliament and the public deserve an explanation. Other sites are cheaper and not as economically important. Why have they not been chosen? Since this is to be an international airport, the minister is obligated to tell this House why he prefers that site. When the head of the Canadian Transport Commission was a cabinet minister I asked him if he would consider asking the airlines to instal escalators for the use of the aged and those with heart conditions when boarding airplanes. If one looks through *Hansard* he will see that the minister promised to look into the matter as soon as possible and see that such escalators were installed right away. Well, he has gone. However, the escalators or elevators to help people board airplanes have not been installed. This matter is of medical importance since many travelling today suffer from heart conditions. When you consider that one male in three over 50 in this country suffers from a heart condition, you will readily understand why I am concerned about this matter.

I should like to conclude with another observation. The airlines are to serve many people at Toronto International Airport. The other night when I was at the unloading ramp I could not stay there because of the stink in the air from polluting exhausts and from buses. The polluted air was overpowering. What a foul place it was! That operation is run by the Department of Transport. Without using any fancy adjectives, let me say that is a heck of a way to run an international airport. I hope that the former minister of transport who now heads the Canadian Transport Commission will read my remarks and remember some of the promises he made when he was minister of transport.

Mr. Randolph Harding (Kootenay West): Mr. Speaker, we are discussing Bill C-4 which is to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways system and Air Canada for the period January 1, 1971, to June 30, 1972, and to authorize the guarantee by Her Majesty of certain securities to be issued by the CNR and certain debentures to be issued by Air Canada. These matters are outlined in the bill now before the House. The presentation of this type of bill is an annual event. We are being asked, actually, to rubberstamp the approval of expenditures made by these Crown corporations. However, this legislation gives us an opportunity to speak on general transportation problems and to make suggestions for change. This, Mr. Speaker, I intend to do.

May I speak briefly about the fixed charge debt of the CNR. This guarantee was given by the federal government many years ago when the CNR system was formed in 1923 from a number of railway lines which were on the verge of bankruptcy. The CNR guarantee at that time was more than generous, but I feel it saddled the Canadian taxpayer with interest payments on a debt which could not be justified. The CNR continues to carry this unjust debt load upon which we still pay interest. I believe the CNR capital structure ought to be changed again, for the railway can never be a paying proposition considering the immense load of debt and consequent interest payments now being carried.

The shareholders of the almost bankrupt railway companies which eventually made up the CNR fared well at public expense over the years. In retrospect, Mr. Speaker,

it would appear that Canada and the CNR would have been better off by hundreds of millions of dollars if a start had been made with companies which had gone broke. Instead, we bailed them out and we have been paying ever since. Regardless of past history, a thorough review of the CNR capital structure is in order and should be carried out. We should consider that question in conjunction with our consideration of this bill. When the bill goes to committee I hope this will be one of the items to receive a great deal of consideration and discussion.

The leader of my group spoke about the need for an integrated transportation policy that would take into account all four major means of transport—air, rail, road and water. This is a necessity in any modern, industrialized nation. Canada has a long way to go in this regard but seems reluctant about approaching the problem. There is no doubt that a modern, efficient and integrated transport system is one of the main requirements of a modern, industrialized nation if that nation is to meet the many challenges from its competitors throughout the world. The quick, cheap and effective delivery of raw materials or goods is of prime importance in the world of today.

I feel, Mr. Speaker, that a modern and efficient transportation system can also be a major factor in the unity of our country. It is necessary that raw materials, finished products and people have quick and cheap access to every part of our nation. We talk about trying to eliminate regional disparities in Canada, yet we have set up programs to deal with disparities on a piecemeal basis. At the same time we find that this government has done nothing to eliminate the rank discrimination which exists throughout Canada in relation to freight rates.

Some hon. Members: Hear, hear!

Mr. Harding: This problem alone is the cause of great friction and hardship in some parts of Canada, including British Columbia. I feel that one of the greatest unifying moves we could make in Canada would be the bringing about of equalization of freight rates in our country. For too long successive governments have allowed this problem to remain dormant.

• (2050)

I would like to deal briefly with my home province of British Columbia. For the most part, the freight rate structure has been rank discrimination as far as we are concerned. The tendency has been to force trade north and south rather than to the east. This is to be deplored. A proper freight rate structure years ago along with adequate government policies, of course, could and would have helped build a different economic approach to that which has been developed in our nation. Nevertheless, the unfair freight rate structure is still with us. I hope this Parliament will be in a position to make sure that this is changed. I hope it will be one of the priorities of any national transportation policy.

This afternoon I listened to a number of speakers from various parties dealing with freight rate problems concerning their areas. The story is the same. It does not matter where you go; in the eastern and western parts of Canada this is one of the major problems facing the provinces. I will use the maritime provinces as an example. All you have to do is look at the unemployment figures which today were made public. The maritime provinces have one of the highest rates of unemployment in Canada, just over 11 per cent. At one time there were a number of industries in the Maritimes which do not exist today. They were able to ship their goods to other parts of Canada. However, discriminatory freight rates have effectively barred them from the best market for Canadian industries, our home market. There are 22 million people in Canada, yet discriminatory freight rates have forced a number of industries out of business by barring them from this market. The same applies in the western provinces.

As I said earlier, I regret that the equalization of freight rates has not been tackled by the present administration. This is something we need. It would help to bring unity to Canada. I mentioned the need for a national transportation policy. The government will say we have a national transportation policy, and this is so,—but it is a national policy to a rather minor degree. There are one or two things which a national transportation policy should include. A policy of this nature should include the moving of Canadian goods and raw materials over Canadian transportation systems. I raise this matter because last year we had in Ottawa a hearing before the Canadian Transport Commission. This was brought about by the Kootenay and Elk Railway Company in British Columbia which wishes to build a spurline from the American border to the coal fields in the East Kootenays with a view to shipping a large portion of the coal currently being mined in that area south over the Burlington Northern railway lines to the Pacific coast. The Canadian Transport Commission rejected the application by the Kootenay and Elk Railway. At present this matter is before the Supreme Court of Canada. It is my understanding that if the Kootenay and Elk Railway Company had applied to become a common carrier, it might well have been granted permission to build this link to the American border and hook up with the Burlington Northern. Away would go many hundreds of jobs for Canadian railway men and many millions of dollars of revenue for our country.

I would like the Minister of Transport (Mr. Jamieson) to make a statement in the House that we are not going to allow Canadian goods to be carried over foreign transportation lines when we have our own communication lines. The provinces of British Columbia and Alberta are very anxious to see railway links built to hook up with American railway lines. I have no objection to some kind of link if the normal interchange of goods must take place, but the day we allow such railway links to be built with a view to transporting our raw materials or finished products, when they should and could be going over Canadian lines, we will be doing something completely wrong.

As far as rates are concerned we have a public utilities body in the federal field, the Canadian Transport Commission. If rates are out of hand, let the commission pull Canadian Pacific or Canadian National into line. Under no circumstances must we allow another phase of our economy to get into the hands of foreign- controlled transportation companies. We have lost enough, Mr. Speaker. We have lost control of a great portion of the Canadian economy. It is time for the Minister of Transport to get up

in this House and state that Canada will stand firm and insist on the movement of Canadian goods and raw materials over Canadian transportation lines to ports from which they are exported.

There has been a problem with snowslides in British Columbia. The provinces say these rail links must be built to ensure continuity of supply to coastal points. There are alternate routes that can be set up. I believe members of all parties should look into this question and insist upon these alternate routes being in Canadian territory.

I shall come back to the matter of hauling coal and the transportation of wheat. Over the past few months we have had the unhappy experience of trains being delayed. As far as the terminals in Vancouver are concerned, wheat supplies are short. This, again, is a matter of proper transportation policy. If necessary, this government should invest in a number of elevators at the ocean, in Vancouver. Wheat should be stored in these elevators to tide us over periods when we have two or three weeks of trouble in the winter due to snow. This can and should be done. It should be done in the interest of agriculture and that of our basic commodity, wheat. There would be nothing wrong with the government investing in an elevator or a series of elevators, not only at Vancouver but at Prince Rupert. There are other deep sea ports in British Columbia that could be utilized throughout the year. Stocks should be on hand there so that exports could continue regardless of weather conditions in any part of the nation. As far as wheat is concerned, this would halt the demand to build another link to the United States so that these commodities could be shipped by United States rail lines.

• (2100)

I want to go back to the subject of coal haul. Not only coal is affected in connection with the rail link proposed in the East Kootenay area. If an application goes through for a common carrier, tens of thousands of cars of lumber will be moving down what we call the Columbia valley into the United States and, once again, the number of jobs available to Canadian railway workers will be reduced. There will also cause a further reduction in the revenue of Canadian transportation systems, a reduction which would affect the whole economy.

I should like to say a few words about railway passenger service. The subject has been covered by other speakers but I, too, would like to protest the increasing curtailment of passenger service in various parts of Canada. In some countries of the world railways are beginning to come into their own again. I think the same pattern should be followed in Canada. Trains can be designed nowadays to run very fast, some of them at speeds well over 100 miles per hour. In some areas of Canada there are closely packed industrial complexes where this type of rail transportation should be used. The government, and in particular the Department of Transport, should pay far more attention to rail passenger service than has been the case in the past.

May I now deal with another matter which has not been talked about very much in connection with the bill before us, although it certainly comes under the heading of national transportation policy. I refer to the Canadian

[Mr. Harding.]

merchant marine. We are a country with one of the longest coastlines in the world. We are one of the greatest trading nations of the world. Yet the shipbuilding industry which once flourished in Canada, and the ships which used to sail as Canadian ships or under the Canadian flag, have been practically eliminated. There was no need for this to have happened. Here are two basic industries. No trading nation in the world—and Canada is one of the leading trading nations—can afford to let this happen. We should be in the business of building ships. We should see that a great proportion of Canadian goods exported from our shores is exported in Canadian bottoms. I would go further and say there is no reason why a large portion of the imports reaching this country should not arrive in Canadian ships.

The neglect of the shipbuilding industry is nothing short of scandalous. Apparently the government feels we cannot compete in the international field of shipping and shipbuilding. This is nonsense. We can and should compete. The fact that our shipbuilding industry has dwindled almost to nothing, together with the merchant fleet, is an indication that the government has lost sight of one of the key factors in any national transportation policy. In British Columbia we had some of the finest shipbuilding yards in the country—in the world, if you like. They fell into decline and key workers were obliged to leave because jobs were not available. The same thing has happened in eastern Canada. It is no credit to the government or to the minister that this should have been allowed to happen at this stage in our development as one of the great manufacturing and trading nations in the world. We have allowed two important industries, industries which every important trading nation should have, to get out of our hands. We should build up a Canadian merchant marine owned, controlled and operated by Canadians, in the interest of Canada.

There are many railway workers in my area. They are very interested in transportation policies. One matter which is constantly brought to my attention is the lack of safety precautions. The big transportation companies are paying less attention to the roadbeds. Crews have been reduced. The amount of inspection carried on is, I understand, less than ever before. This is another aspect of rail transportation which I feel the minister should be examining, because serious wrecks in any part of the country could bring about major disruption in rail communications.

One of my hon. friends has moved that this bill be given a six months' hoist. I should like to put on the record some of the reasons why we feel the measure should be held up for a short period. They are as follows: Lengthy discussions took place last year on this subject—in fact, they have been going on for several years—in the course of which the very points I have been trying to make briefly tonight were gone over time and time again in this House.

We want to see some commitment by the government in regard to the matters we have been raising for years and which we have raised in today's debate. So far, there is no indication that these matters have received attention, far less the action which is called for. For instance, I refer to the fact that little or nothing has been done about CNR pensions. This question should be looked into. The capital

structure of the railway remains a problem which has not been touched. The fact is that railway services, including passenger service, have been rapidly going downhill, have been ignored, as has the whole question of freight rates and the need for the major changes which I have mentioned briefly. We feel these matters are so important that this bill should not go through the House until they have been dealt with. The only way to get the attention of the government is to endeavour to hold up the bill for sufficient time to give the government and the department the chance to discuss adequately both in committee and in this House the points I have listed.

• (2110)

Mr. Bill Knight (Assiniboia): Mr. Speaker, I have listened for several days now to this most interesting debate about the money to be made available to the CNR and our air transportation system. I often wonder how many pages of *Hansard* have been filled with suggestions and proposals each year as this particular debate comes forward. I wonder how many years of Canadian history have been spent discussing and debating railroad transportation policies. The railroads in this country have been tied so closely to history that one might think the history of this nation concerned little else.

We look back at history and find that governments have helped build the CPR by continually granting it sums of money, money given to a private corporation that is based upon profit for its shareholders. We reached a point where the CPR might not have been finished and may have brought the Macdonald government to its knees had it not been for those people living in Saskatchewan who supplied the country with rebellion. The role of the CPR in the building of the west is an interesting one. The railroad was paid off by the granting of land in the west. In the area around Weyburn and west of Weyburn there are many farmers farming quarter sections, half sections and whole sections which were originally CPR land. Railroads such as the CPR and the ones that followed were built on an assumption of an exploitative nature and were not based on any concept of service. Railroads built through the west were built mainly on the basis of bringing people into the west to provide a market for industrial goods from the east.

Throughout the years the railroads, through their freight rates and possibly at one time through their passenger service, accrued vast amounts of revenue from people living in the west. That revenue was used by the railroads, I suppose, in all parts of Canada, and this may well be justifiable. But in the course of time the very railroads that accrued a large amount of revenue from the west continued to erode the kind of service that the people of western Canada and of Canada generally deserved from its railway system. And each year this government continues to bail out, if I may put it that way, this particular system of transportation and to neglect the overriding problem of developing a national transportation policy for Canada.

This afternoon the Minister of Transport (Mr. Jamieson) made a speech—finally—in which he talked about this and that and about his department and what it is doing in the Maritimes. But as he went on he continued to ignore the real necessity for sitting down and deciding what the national transportation policy of Canada is going to be.

What is the justification for building two new airports? What is the justification behind some of the railroads' application to dispense with station agents in the prairie west? In Saskatchewan over the years we have seen continual attempts by the railroads to cut back on the kind of service needed by western farmers. We have seen these railway corporations, whether it be the CPR or the CNR, with the backing, as far as I am concerned, of the federal government, withdraw the services of station agents on some kind of pretence that the public will get better service from a servo-centre when there is no proof at all that a servo-centre will serve the needs of the people in the west.

The Canadian Transport Commission, headed by its impartial chairman, implements policies that allow the railroads to curtail the role of the station agent. I suppose in coming years when that commission deals with the question of rail line abandonment we will again see its impartial chairman implement policies to abandon railway lines in Saskatchewan with no regard for the effect on various communities and the farmers involved, who will be given no alternative mode of transportation with which to market their goods.

The people in my riding have expressed real concern that many of the railway lines that service their communities, such as the line running from the town of Radville east to the town of Goodwater, may possibly be abandoned. They are concerned that the line running west from Radville through to Willow Bunch may be on the chopping block, that the line running through Coronach may also be on the chopping block and that the railways may apply to abandon the line running west of Estevan. As long as the government allows a kind of non-policy activity on the part of the Department of Transport, we will continue to see the eroding of services that are needed by Canadians.

Many farmers and people living in the rural areas of my riding have pointed out to me, as I have myself noticed, that service of the track running through the area is not up to par. The track is continually neglected and many parts are in need of service. The gauge of the track is far below what is required by modern diesels. Some of it is as low as 85 gauge, when it should have a gauge of somewhere around 120. Until the government commits itself to a national transportation policy we will continue to see the railways being allowed to carry out such unfair practices.

The freight rates association announced that on February 11 freight rates would be increased from 3 per cent to 8 per cent on approximately one-third of the goods carried by the railway. General grain and grain products are subject to the rate increase except where covered by statutory rates and traffic moving under agreed charges. Such increases are unwarranted at a time when the farmers of western Canada are facing economic difficulties in terms of ever-rising costs of production and low prices received for their commodities.

Once again I suggest there is need for a national transportation policy for all Canada. If this nation is to be held together as a single country, an attempt must be made to

bring in a national transportation policy that equalizes all freight rates across Canada, thus alleviating the disproportionate rates paid by western farmers. I call on the government to make public its transportation policies which have been kept hidden in the office of the minister in charge of the Canadian Wheat Board, the Minister of Justice (Mr. Lang). Why has this report not been tabled in the House of Commons for the scrutiny not just of members of the House of Commons but of people in my constituency who will be affected by government policies in the future? They want to know where they stand. I believe it is the responsibility of this government to outline that program.

• (2120)

Is this report to suggest a reduction in delivery points in the Prairies? Is there to be some mention of rail line abandonment in this report which is in the minister's office? Further, will we see this report and be able to judge it before the next election? I have grave doubts about that.

Any new national transportation policy should be given jurisdiction over Canadian harbours. I point out that in the 1972-73 estimates the amount of money allocated for harbour improvement is down over the previous year. Yet we have seen a backlog of grain and grain-carrying ships at Vancouver as well as difficulties in respect of transportation. This is not the year for any government to be involved in the cutting back of expenditures for the development of facilities at Canadian harbours. I suggest this happens because the government does not draw up a national transportation policy for all of Canada.

There are other matters which could be discussed in terms of an improved transportation policy. It is time we developed a transportation policy based upon service and not profit. It is time the CPR was nationalized and made a public utility which would involve itself in service to the Canadian people. It is time the government ensured that the port of Churchill is put to full use. We in Saskatchewan and in the prairie west have for years heard the Hudson Bay route association representatives shouting for proper use of the port of Churchill, yet there has been no emphasis on this particular aspect of transportation by the government.

The hon. member for Skeena (Mr. Howard) pointed out in the House a few days ago that there is a government terminal in the city of Prince Rupert. He also pointed out that the harbour there is one of the finest on the west coast. It is time the government re-examined its policy on grain transportation and looked into the possibility of the use of that terminal. It is interesting to note that when the hon. member for Essex (Mr. Whelan) spoke in the House on this matter he pointed out to the government that the agricultural committee started seven years ago to press for the need to improve port facilities. However, the government in its policy has not seen fit to give emphasis to the requirements in this regard. The hon. member for Essex is quite well known for his habit of pointing out the lack of consistency or lack of good policies by this government. I do not understand how he can still stand and vote along with them when the crunch comes.

[Mr. Knight.]

I have taken up a considerable amount of time in respect of transportation related to railway and harbour facilities in Canada as well as the real need to equalize freight rate costs and the real need to give Canadians the opportunity to travel within their own country at costs which are less or at least equal to the costs involved in travelling to Europe. There are other parts of this bill which deal with the expenditure of money in respect of Air Canada. When this government came into power it suggested there would be an end to regional disparities. This sounded quite good to the people of the country. However, we have seen no proof of this. I wish to note in respect of spending on air facilities that there is to be an expenditure of 60 cents per capita for airport facilities in Saskatchewan, in comparison with an expenditure of $3.20 per capita in Ontario. Including the grant of $42,766,000 which is to be made for the building of a new airport in the area of Toronto, we would have a per capita expenditure of $10.05, compared to 60 cents in Saskatchewan.

As pointed out so adequately last week in Saskatoon by the hon. member for Saskatoon-Biggar (Mr. Gleave), it is high time the airport at Saskatoon was improved and the air facilities in Regina improved in order to meet the needs of the people of Saskatchewan. I have pointed out these things to the government in the hope that the Minister of Transport will come to grips with the problems of transportation in Canada. Earlier in the House I asked him about the possibility of Prairie representation on the port of Vancouver authority. At that time he said no to the suggestion. I repeat that I believe there is need for a new national transportation policy in which the prairie region would have the privilege, if you wish to call it that, of having representation on the port of Vancouver authority to look over and examine the policy and how our grain is handled at this west coast port.

In the short time I have been on this earth I have on many occasions travelled on passenger trains. On those occasions I felt that the service was relatively good. I often wondered, however, whether with a little imagination the railway companies in this country could develop a passenger service which would be attractive to Canadians who wish to travel from one end of the country to the other. When one travels from the east coast to the Rockies one can see an immense amount of beauty, and if one were to travel on the railway one could do so without the inconvenience of having to drive on our highways. I believe that with a considerable amount of imagination in the area of passenger service the railways could provide the type of service which would bring about increased use of our railways by people who travel in Canada.

I thank members of the House of Commons for their kind attention. I hope the government will support the amendment moved by the hon. member for Battleford-Kindersley (Mr. Thomson), which would give the government the opportunity to draw up a truly national transportation policy to meet the needs of the Canadian people.

Mr. Jack Murta (Lisgar): Mr. Speaker, I do not pretend to be a great expert on our transportation system, but I should like to deal with one particular aspect pertaining to western Canada, my riding and all prairie ridings. I refer to the grain transportation situation. This problem has been accentuated this year because of the heavier

than normal movement of barley. However, there is also the fact that in other years, because of railway service, sales have been lost.

• (2130)

When I think for a moment of the situation in which prairie farmers find themselves, of their incomes this year and in past years, of the transportation system which in a great many cases has not enabled them to sell their products to any great extent, I feel sick. The movement of our agricultural products from the Prairies is of paramount importance and is the whole foundation of the western economy. This is borne out by the statistics which show that 60 per cent of our agricultural products must of necessity be exported to other parts of Canada and to other parts of the world simply because we do not have the population in western Canada to consume the products we produce.

Historically, wheat has been by far the biggest crop in western Canada. Technology in wheat growing and other techniques have drastically reduced the causes of serious crop failures in western Canada as well as in other parts of Canada. Even in 1967 during the widespread drought conditions in Saskatchewan our grain crop exceeded the long-term average. We have hardier varieties of grain and greatly improved farm equipment, and the increased use of pesticides and herbicides and a much heavier application of fertilizers has contributed to the high yields per acre achieved in recent years which has given cause for optimism for the future. Improved technology has permitted farmers to put into production lands which formerly had been considered marginal or submarginal. I think it is significant that in 1968 nearly one million tons of fertilizer was used in the prairie provinces, compared with only 85,000 tons in 1950.

This trend will continue as farms become larger and the need to reduce costs per unit becomes greater. As a result, the Canadian wheat crop in the latter part of the 1960s has been extremely large. The crop harvested in 1966 was the largest on record and subsequent crops have also been extremely large. Improved farm technology is an important factor in the expansion of Canadian wheat production but it is also a big factor in the dramatic increase in self-sufficiency of the developing countries so far as grain production is concerned. For example, new strains of wheat have been developed for adaptation in warmer climates, which has led to improved harvests in many developing countries. Increases in wheat production in India and Pakistan are of particular significance. India now claims that within two years she might become self-sufficient so far as grain production or agricultural production is concerned. Advances in milling and baking technology have also permitted many countries to which we used to sell, to use their own wheat to greater advantage and hence not depend on our wheat to the same extent as a few years ago.

This is the background against which I think we should review the present government's position with regard to the grain transportation industry in Canada. A commodity such as wheat or barley depends on speedy marketing and a rapid response to customer needs, not only in Canada but also overseas. In this sense an adequate transportation system is essential. More than ever it is now necessary to ship from western grain growing provinces to the customers, which brings honestly earned income to our farmers in western Canada. These markets must be won and held on a continuing basis.

I believe that given the proper initiative Canada could, and I expect she will within the next few years, export one billion bushels of grain a year. I foresee this in the near future. This depends on our ability, not necessarily to produce the product but to deliver it to our customers. Our agricultural system is only as strong as its weakest link and in the past few months it has been made obvious that the weakest link has been our transportation system to the west coast.

Rail traffic has suffered difficulties due to snowslides and adverse conditions in the Rocky Mountains, but I suggest that snowslides in the Rocky Mountains in the wintertime are not new. Clearly we must concern ourselves, not only as members of parliament but as grain producers, with what I consider to be the four basic needs which should be acted upon at present. As has been mentioned before in the House, we need increased storage at our Vancouver terminal. I realize as well as anybody else that building storage is an expensive business, but I think that given the proper techniques storage could be designed relatively cheaply. We do not need expensive storage but we need more of it than we presently have to be used for what I would call a surge capacity. So long as we have winters such as we have, threats of strikes or slowdowns of railway employees, we will always have the problem of transporting the product out to the port from which it will be shipped. I think increased storage is of paramount importance to the total grain transportation.

Secondly, a few months ago there was a unit train which was moved from one of our inland terminals at Saskatoon to Vancouver. This train, comprised of hopper bottom cars and three large diesel locomotives, hauled cleaned grain from one of our government inland terminals, which has not been used to a great extent directly, to Vancouver and then loaded it directly on to a waiting vessel. The system worked well at the time and I wonder why it is not being used at present to move grain out to Vancouver. The system is used so far as the potash industry is concerned and I believe it is high time this method was adopted on a continuing basis to move grain.

• (2140)

The third thing which should be realized and acted upon by the railways is that more hopper bottomed cars are needed and that these should not be put into service only when an emergency arises, as seems to be the case at present. I think we can call the present situation an emergency when we are roughly 30 million bushels of grain behind in our export shipments. Many of the railways cars now in use are antiquated. They are slow to fill and slow to unload. New kinds of cars must be purchased and used on a continuing basis. The old rail cars at present in use move about 2,000 bushels of grain each. The new cars can move about 3,000 bushels of grain and can transport it more efficiently and quickly. As a result, the unit cost per car is lowered. The unit train that I mentioned which ran to Vancouver carried 270,000 bushels of grain. There is no reason why two unit trains could not be moved from each of our inland terminals each week. This would amount to

an additional movement of 75 million bushels of grain per year.

The government, and through it the Canadian people, owns inland terminals on the Prairies. I point out that there is a terminal in Saskatoon which until recently was not used to any great extent. It can hold approximately five million bushels of grain. There is no reason why the railways cannot move grain into such terminals, keep them filled with a variety of grain, clean the grain in the terminals and load it into hopper bottomed cars for movement to a waiting vessel at the coast. This could mean a little more stress on our communications system to coordinate the arrival of trains and boats. But this is done for other commodities; it is done with respect to the movement of potash and there is no reason why it could not be done with respect to the movement of grain.

Rail travel, as is well known, has suffered at times from snowslides and other problems. These are not the fault of the farmer, of the government, of the railways or the railway employees. Snowslides are a problem that must be tackled with a long-range approach, adopting the four suggestions that I have put forward. We should utilize our railway system more fully so that temporary snowslides do not bring about a similar situation.

Recently, for the first time in many years, Japan tendered for grain in Canada but we could not offer grain because we thought we could not fill the order on time. This shows how serious is the present situation. The minister responsible for the Wheat Board has reported that for the time being we have stopped accepting tenders for grain sales. I believe the situation will not get any better unless worth while planning is undertaken and implemented.

We cannot expect the farmers to continue to bear the cost of government mistakes in policies. There is no justification in having the farmers pay, either directly or indirectly, $3,000 to $6,000 per day in demurrage charges for a ship waiting outside the port of Vancouver. The Wheat Board, I know, ultimately pays the demurrage charges but in the last analysis the farmers may lose their final grain payments. Some people in the grain trade believe that in a crisis situation such as we are experiencing we could use the Burlington Northern railroad which could transport grain through southern Montana out to the coast at Vancouver without encountering all the trouble the CN and CP meet running through the mountains to Vancouver. This is something that should be examined.

To summarize, Mr. Speaker, I believe that this is a serious problem but it is only a small part of our transportation difficulties. Other hon. members have mentioned the discrepancies in freight assistance and have pointed out how regional disparities are encouraged by railway policies. In the present circumstance a concerted effort is necessary on the part of the government, the railways, the train companies, the people at the terminal positions and the farmers to reach a satisfactory solution. If we are to talk in terms of a billion bushels of grain per year, these problems have to be tackled and solved.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I heartily support the idea of giving this bill a six months' hoist. As the member representing the constituency of Saskatoon-Biggar I am not prepared to see this bill pass until the government gives some adequate answers on transportation. Such answers have not been given yet. We have not had a clear indication that the government is prepared to come to grips with the transportation problems facing western Canada. Apparently the government is prepared to let western Canada be held to ransom by the railroads and the grain companies.

Our present situation is not altogether due to snowslides and difficult conditions in the mountains. The circumstances that exist were known as far back as when a Conservative government was in power prior to the Pearson government being elected. At that time meetings were held on the west coast to try to assess the problems facing the transportation of grain from western Canada. Since that time, and in addition to the movement of grain, we have been faced with the problem and the logistics involved in the movement of potash from Saskatchewan which has put another major volume of freight on our railroads.

• (2150)

We have also faced rapid growth in the movement of sulphur out of the province of Alberta. In other words, there has been a major increase in the volume of transportation and the need for transportation facilities in that period of time, but no comprehensive move on the part of the Department of Transport and those responsible on the other side of this House to meet that need.

When speaking to a certain individual the other day I mentioned that the only thing that has been done to my knowledge is that the Saskatchewan Wheat Pool has built a five million bushel terminal at a cost of $25 million in Vancouver. I asked if he knew of anything else that had been done in the way of accommodation for the increased movement of grain.

A number of solutions have been advanced, Mr. Speaker. Some people suggest an increase in the movement along the line to Prince Rupert, some say increase the amount of storage in the port of Vancouver, others suggest an increase in or building of storage at Roberts Bank, while still others propose the creation of additional trackage down to the coast. I submit that we need to do all those things. What I am saying to this House, Mr. Speaker, is that we need a massive investment in rail transportation and grain storage if we are to cope with the situation facing us. We have to reverse the thinking that has prevailed in this country with regard to rail transportation since the MacPherson report. That was an abandonment report which suggested abandoning branch lines and cutting down on service. We are now reaping the result of that attitude and must move forward to a progressive, expansionist approach.

In my constituency the branch lines are in such shape that some of the railroad men responsible for running the locomotives will book off and forfeit their earnings rather than put a locomotive over the branch lines running out of Biggar on the subdivision. You can believe that or not, but I have the evidence in letters from the brotherhood in the town of Biggar and I have sent them to the rail transport committee. On behalf of the workers I asked the committee to investigate the complaints and the condition of the

trackage on the subdivision. A man was sent out there, or I suppose he was because he wrote a report. He said there was a limit on the speed at which they should drive locomotives on these tracks, 15 miles an hour. However, he did not go near the workers who made the complaint. I wrote the chairman of the committee and suggested that he again meet these people. I understand he was sent back and did meet the workers, but I have not seen the second report.

Mr. Benjamin: You never will.

Mr. Gleave: This is the stage we have arrived at with the railroads, and I can quote letters, dates, and so on, to illustrate this. In one case when they drove a snow-plow down the track and the snow pushed the locomotive off, the track was not solid enough to hold the thrust of the locomotive in this subdivision. How can you guarantee to bring grain off a branch line and put it on a main line to go to Vancouver when you do not know if the branch line will let you put a train over to go and get it? This is the sort of problem we are facing.

While we are looking at this mess in transportation we have money enough to build a multimillion dollar airport in Quebec and money enough to build another one outside Toronto. We have money enough to spend on research on short take-off and landing aircraft.

Mr. Benjamin: They don't haul wheat.

Mr. Gleave: I do not know exactly what they are going to do for us, but I hope they have a better pipedream than the hydrofoil and some other things that have been done. The government can think of all these things but they cannot think of the practical things that will enable the farmers in the western half of this nation to move their products to the markets of the world in order to sell them.

This is the nature of the crisis facing us, Mr. Speaker, and I do not know if it is even any use to talk of bringing it to the attention of those responsible. Something new is required. The Canadian Transport Commission should take some action instead of sitting on its butt making rules. It would be a new departure for them to go out and do something. Action is foreign to them and I do not know whether they could bring themselves to it. However, we can always hope for the best.

Sometimes I think that the grain farmer is the only risk-taker left in the whole system. There are other parts of the system such as the railroads, the grain companies and the stevedoring companies who are the scalpers, the play it safe boys. I wonder when some of them are going to take a risk for their money. The day they do, Mr. Speaker, they will make some money.

May I call it ten o'clock, Mr. Speaker?

PROCEEDINGS ON ADJOURNMENT MOTION

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

Proceedings on Adjournment Motion

POLLUTION—RECONSIDERATION OF LEVIES ON OIL TANKER SHIPMENTS TO PROVIDE CONTINGENCY FUND IN CASE OF SPILLS

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, it is not very often that I take part in the "late show" so I should like to pay tribute to those members who do not go to bed but stay up and bring these important matters before the House. I have probably listened to more late shows than I will ever participate in, but I do pay tribute to those members who do such a good job. I also pay tribute to certain, and few, members of the government who help. The hon. member for Duvernay (Mr. Kierans), the former postmaster general, who was here a moment ago, was very diligent, and I know the Minister of Transport (Mr. Jamieson), who is here tonight, tries to fit it into his busy schedule.

The matter I wish to mention is in connection with oil levies for pollution in the Maritimes, and is prompted by a question asked on March 3. In answer to that question the minister said there was a willingness on the part of the government to meet various persons and government officials on this controversial matter. I refer also to another question asked on February 18 at the beginning of the session. At that time the minister intimated that the fund for pollution, correctly called the maritimes pollution claims fund, would probably reach a level of $25 million or $30 million.

• (2200)

Hon. members will recall that in the previous session we brought in Bill C-2 which, among other things, provided for levies on oil shipped in and out of Canada on ships of over 1,000 tons. The limit on levies was to be 15 cents a ton. The regulations were brought in on February 15 and went right to the limit: fifteen cents a ton was imposed. During the debate on that legislation we agreed that we would react to the sort of problems we had encountered with the *Arrow* and other ships and that something should be done about pollution.

I am not quarrelling with the contention that there is tremendous interest in pollution and that we need to do something about it. I do not deny that. I am merely saying that since then we have been looking at the whole problem from a new perspective. We now have Gulf Oil located in Nova Scotia and everyone knows that tremendous developments are taking place. Funds of which the Minister of Transport (Mr. Jamieson) spoke so proudly have been provided by the federal government. Only this afternoon he took credit for the DREE work and this type of activity.

The president of Gulf Oil (Canada) Limited, Jerry McAfee, said last week, if I may paraphrase, that a 15 cents per ton levy is twice as high as is required. He failed to see why the government was insisting on such a high ceiling. What interests me particularly, of course, is that in New Brunswick there is a Continental Oil development outside Saint John involving $60 million that has been promised. The people there are very alarmed about the size of the levy, the amount of the fund and the number of years for which they will be required to pay.

I know the matter is under negotiation. Premier Hatfield, for example, has engaged in correspondence and

there have been replies. I wish to bring this matter to the attention of the minister and ask certain questions, not so much in the hope of a full reply this evening but in order to bring forward the seriousness of this matter affecting the joint development that New Brunswick is involved in at the moment.

My first question is this: Is the minister aware that this levy and the extent of it may kill the entire Conoco project for the Saint John area? Another question is: Is the minister aware that because of the way this matter is now developing—perhaps this was not foreseen when the legislation was passed—we are being unfair to legitimate producers and refiners and that the result may be a boom for tramp steamers like the *Arrow* which pass through that area?

My next question is: Is the minister aware that in this case the province of New Brunswick received no federal incentives grant? The province was legitimately and honestly on its own in this project. Another question is: How can we possibly be expected to compete with Portland, Maine, which imposes a levy of only one half cent, especially when we consider that through that port many products such as oil enter the Montreal market?

Those are the questions I wish to ask. The minister may reply that he personally is giving serious consideration to this matter at the moment. I hope that this will not be another routine type of bureaucratic matter that has come sliding over his desk. I hope he has not gone along with civil servants who may suggest that some people are overreacting to pollution without considering some of the development that we need in my province—

Mr. Speaker: Order, please.

Mr. Bell: I hope, Mr. Speaker, to receive some kind of answer from the minister that will give us hope for this development.

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, the hon. member asked four key questions. Obviously, I cannot answer them in detail in three minutes. I will, however, assure the hon. member and the House at the outset that I am personally considering the matter. I have had several conversations with Premier Hatfield and have indicated my willingness to meet with him and, indeed, with officials of the oil company concerned or any others, for that matter, at any time he designates.

As to whether this will kill the project, that of course is something on which I cannot pass judgment. However, I would like to say that from our point of view it is a question of the minimum amount we feel is necessary in order to ensure that clean-up operations can be carried out effectively. We have determined a ceiling which I have clearly stated as being $25 million. That is the minimum amount we feel is necessary. The reason for this is that the *Torre Canyon* cost something like $16 million to clean up. It was a substantially smaller matter. These are vessels carrying 300,000 tons of oil. The *Arrow* cost some $4 million. As I said to someone the other day, it was carrying a mere teaspoonful in relation to these huge vessels. We talked about the *Irving Whale* which cost in excess of $2 million. We are not talking about small change in terms of the Canadian taxpayer.

I do not want to put forward an unnecessary impediment to the development of industry, particularly in the Atlantic provinces. I have said that the ceiling would be $25 million. We put it at 15 cents a ton in the first instance because we deemed it advisable to get a fair amount in the fund initially. If we had put it at a lower rate it would have gone on for a very much longer period of time. My suspicion is that the shipping and oil companies would not have been much more satisfied had the amount been lower.

I said that if the fund builds up very rapidly, more rapidly than we anticipate—I emphasize that this is a preventive measure—we do not want to spend out of the fund and we will review it over a period, let us say annually. If we are getting an amount in there and we have not had any spills, we will consider reducing the levy. I have given that undertaking. Furthermore, since it will be more than the undertaking of the minister I have said we will try to incorporate such undertakings in the regulations.

As for it being unfair to legitimate operators, I think that the world or virtually all of it has now come to the conclusion that it is not a matter of legitimacy or otherwise: it is simply a question of these being huge hazards even for the best operators. We need to have some way to look after them. I was not asked for federal incentives. As for the state of Maine, they of course cannot carry vessels of this size.

Mr. Speaker: Order, please.

[*Translation*]

UNEMPLOYMENT—MONTREAL—DELAY IN PAYMENT OF BENEFITS—REQUEST FOR INQUIRY

Mr. André Fortin (Lotbinière): Mr. Speaker, I have already directed a question to the Parliamentary Secretary to the Minister of Manpower and Immigration (Mr. Perrault) with regard to the delay in the unemployment insurance benefit cheques since the introduction of the new unemployment insurance plan which, as everyone knows, has replaced the former act.

Let us explain the problem briefly: Let us say that a worker became unemployed on October 16. By February 1 or 15, he has not yet received any unemployment insurance cheque. Yet, he has repeatedly contacted his regional office—and, in Lotbinière, it is Sherbrooke, Trois-Rivières or Quebec City—and each time the devoted official could only answer: Sir, an order for your cheque has been given to the Montreal office.

Now, the Montreal office, as we know, is the central office for issuing cheques throughout the province and those cheques do not reach those who are entitled to them.

To show the tragedy in this situation, I shall point out that some of these men have seven or eight children. Being without work, they have no income.

On January 26, the Minister of Labour (Mr. Mackasey), sent a letter, I believe, to all hon. members, promising that in all cases of simple delay a payment would be made within 48 hours and that a review would take place within

72 hours. This was not done, in spite of the minister's utterances and his good will. A little later, I handed to the right hon. Prime Minister (Mr. Trudeau) a petition with 400 signatures, attesting to this. Those are the facts.

Mr. Speaker, the situation is tragic. I understand that the government took concrete remedial steps. Nevertheless, once the minister has given instructions to civil servants and the cheques have been issued, thus solving the individual's problem for two or three weeks, the same problem arises again. The individual, after a waiting period of a month and a half, received two or three cheques. But he now not only does not receive a cheque, he does not even receive forms to be filled in, although he has made enough contributions.

I stand ready tomorrow to submit to the parliamentary secretary a list of over 300 names of citizens of my constituency and the neighbouring constituencies of the Eastern Townships who are faced with this situation.

Mr. Speaker, I personally called several times on the Sherbrooke, Trois-Rivières and Montreal regional offices. I do not blame the officials, they are doing their best. Moreover, in the Sherbrooke office they hired 25 extra employees to face the demand, proof that there was a problem which has not been solved since the officials tell us they are too few to cope with the load and that they are forced to work in unsanitary conditions.

Mr. Speaker, this problem of unemployment is of national urgency and is far from being solved since the number of unemployed is increasing, the winter season is a particularly difficult one for those who are without work and without income.

• (2210)

Since I was not satisfied with the reply given the other day by the parliamentary secretary, I wanted to raise this matter again in the hope that the government will study the way in which cheques are issued at the Montreal office and will consider the advisability of decentralizing the system, since the whole Quebec population is obviously too much for computers to cope with.

I also hope that the government will study the operation of unemployment insurance district offices with a view to making them more efficient, and will help officers by giving them the necessary tools.

Mr. Speaker, let us review, once and for all, all those cases of delays, and let us stop saying, as the minister wrote in his letter—and instead of tackling the real problem of the issuing of cheques: If you do not receive your cheque, go to the welfare bureau and borrow money, and when you receive your cheque, you can pay the welfare bureau back.

Mr. Speaker, considering the interest you take in the fate of Canadian people, surely you will agree that the direct effect of this is to reduce to the most abject poverty those workers who become unemployed overnight and are then doomed to live on welfare.

Mr. Speaker, I do hope that the government has been sensitized to this problem. The prime minister came to Victoriaville recently, and people asked him that question. They gave him a rather cold welcome, as they should, precisely because this problem is so real.

Mr. Speaker, I sincerely ask the minister to remedy this situation, to stop hiding and to really come to grips with the problem. I think that the Canadian people will be really grateful to him for doing so, since this is at present the most serious problem faced by Canada.

[*English*]

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, the hon. member has suggested that computer operations of the Unemployment Insurance Commission in Montreal have not been functioning properly and that this has caused delays in the processing of unemployment insurance claims. For the information of the hon. member I should like to say there have been no cases of delay in the Montreal office of the Unemployment Insurance Commission caused by computer breakdown.

Together with the hon. member and my minister, I want to see as speedy as possible processing of unemployment insurance claims. Nevertheless, I would point out to him that after his allegations of March 9, in which he stated there were 450 cases of unresolved unemployment insurance problems, it was determined upon investigation that he was apparently talking about all the cases he had looked into during the past six months, not only for Sherbrooke but also for Quebec and Trois-Rivières.

I have been advised by the Unemployment Insurance Commission that between January 24 and today the hon. member has submitted to the Sherbrooke office a grand total of 132 cases, not 450. Based on commission experience across Canada in January and February, no more than one-third would have been designated problem cases.

In any event, as of March 10, 1972, the Sherbrooke office was in the process of answering only 19 cases which had been submitted by the hon. member for Lotbinière (Mr. Fortin). Of this number, the commission has reported that at least half were cases which had already been submitted where people were not satisfied with a previous decision of the commission. In view of the foregoing facts it would seem that there have not been inordinate delays occasioned by alleged computer breakdown or by any other factor.

If in fact the hon. member has any specific cases of delays in the processing of unemployment insurance claims that he would like to bring to my attention, or if he can be more specific as to the nature and time of these so-called computer breakdowns, I will gladly have the charges investigated at the earliest possible opportunity. As the hon. member knows, my minister is determined to provide the speediest possible service for those with a legitimate entitlement to unemployment insurance benefits.

GRAIN—ALLOCATION OF BOXCARS TO INCREASE STOCKS AT VANCOUVER

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, on March 9 I asked the minister in charge of the Wheat Board whether, in view of the low level of wheat stocks at the west coast terminals, he could assure us that the volume of grain to be moved and the allocation of boxcars

by the two railroads would be such as to correct the situation. I had the assurance of the minister that it was not shortage of cars or shortage of motive power that was the limiting factor at the moment but, rather, the unusual and severe snowslide conditions in the Rocky Mountains which had prevented these rail facilities from carrying adequate amounts of grain to Vancouver.

My concern is really about the answer the minister gave. I think we are faced with a basic shortage of facilities for moving and handling grain destined for the west coast from the prairie region, a situation that I do not think is a temporary one. I realize, as I am sure the minister does, that we have had much worse weather conditions than normal, such as snowslides and so on but I think we have to be prepared to cope with that sort of thing. If you are operating a farm you come to know that you should not schedule a certain level of operation and expect it to continue uninterrupted; that just does not happen. What you have to do instead is to build in a certain amount of power, equipment or labour reserve to handle what we call "down time", a term that is also used by the construction industry. We know we will hit this condition to a certain extent.

I would be more encouraged were the minister able to assure the House that the government had in hand programs to move the volume of traffic that will have to be handled if we are to stay in business. If we are to move the volume of grain that the minister has forecast we are going to sell in the coming year, these programs must be formulated now. I am satisfied we could have sold more grain than the minister has forecast had the Wheat Board been given assurances that it could move sufficient grain to fulfil any contract the board was willing to undertake.

• (2220)

The minister has admitted, as has the Wheat Board, that contracts have been turned down because they could not afford to be in the position of being unable to deliver on contracts which had been made. They now, I am sure, must be very close to this position on some contracts which have been made. The information I have is that last week there were 400 cars a day unloaded, when they should have been unloading 800 cars. This is a chronic condition. If the minister can give the House some assurance that this situation will be corrected or that there are long-term plans, I believe the House would be very glad to hear this. I know I would be glad to hear it.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the hon. member has observed the tremendous movement of grain in the country and out of the prairie region. Indeed, this year with the unprecedented sales level, even though we had a very good crop last year, we will probably be disposing of more grain than is grown in the prairie region. In the case of the port of Vancouver, for instance, notwithstanding all our difficulties and notwithstanding the fact that last year we had a record year in respect of exports from the west coast, as of March 1 our exports were running 25 per cent ahead of the figure for the previous year.

It is true that we have had snow difficulties in the Rockies, and I did tell the hon. member that during this period of time it is, in my view, not a shortage of cars or locomotives that is causing our problems but weather conditions. The railways have enough equipment to reach the 800-car target if weather conditions would permit. We are selling at record levels. We will continue to do so. We will continue to set ourselves new and difficult challenges in the selling of grain and in putting stresses and strains on the available equipment. I do not say we have enough equipment at the present time to meet next year's challenge, and we are looking very closely at the additional equipment needed for that purpose. We have been studying the grain handling system, so that we know a good deal about which way to go in making improvements.

With things like the block system and the co-ordinators working at both terminals, as well as the car pooling which goes on, we are getting much more out of the system than otherwise would be the case. As to the question of whether we have to go to a six or seven-day week in the elevators and in the terminals, we could get more out of the system in this way but I think we will need more rail equipment for the movement I see ahead, because we will go after new sales in very significant quantities year after year and we must go on building the system to accomplish that end.

We will need the co-operation of all parts of the system, the farmers, the handling system and the railways, in order to achieve these sales records, but I am confident that we can do so. We will take the necessary steps. When the difficulties of snow and weather began in Vancouver we had in store at that port about the right amount of grain. It was not as though those terminals were empty; they were relatively full to their working capacity. I believe this is something we should remember.

Motion agreed to and the House adjourned at 10.25 p.m.

HOUSE OF COMMONS

Wednesday, March 15, 1972

The House met at 2 p.m.

[*Translation*]

ROUTINE PROCEEDINGS

PRIVILEGES AND ELECTIONS

First report of Standing Committee on Privileges and Elections—Mr. Laflamme.

[*Editor's Note: For text of above report, see today's Votes and Proceedings.*]

* * *

[*English*]

PUBLIC SERVICE

REFUSAL OF PUBLIC SERVICE COMMISSION TO GRANT LEAVE TO ANN BOOTH—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. John M. Reid (Kenora-Rainy River): Mr. Speaker, under Standing Order 43 I should like to move a motion concerning the case of Miss Ann Booth, which I raised in the House on Monday and which was raised again yesterday by the hon. member for Fundy-Royal, to present herself for nomination as a candidate for a political party. Her application for leave of absence was turned down and she has now been suspended and proceedings are being taken to terminate her employment in the public service.

Therefore, Mr. Speaker, I move, seconded by the hon. member for Algoma (Mr. Foster):

That the subject matter of the refusal of the Public Service Commission to grant leave to Miss Ann Booth, a lawyer with the CRTC, to seek a political nomination be referred to the Standing Committee on Broadcasting, Films and Assistance to the Arts.

Some hon. Members: Hear, hear!

Mr. Speaker: This motion is made to the House under the terms of Standing Order 43 and requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: The Chair is always surprised when there appears to be unanimity. Sometimes I fail to believe my ears so I shall inquire again whether there is unanimous consent.

Some hon. Members: Agreed.

Mr. Speaker: There appears to be unanimous consent and the motion will therefore be put. The hon. member for Kenora-Rainy River, seconded by the hon. member for Algoma, moves:

That the subject matter of the refusal of the Public Service Commission to grant leave to Miss Ann Booth, a lawyer with the CRTC, to seek a political nomination be referred to the Standing Committee on Broadcasting, Films and Assistance to the Arts.

Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion (Mr. Reid) agreed to.

* * *

• (1410)

PRIVILEGE

MR. HALES—UNAUTHORIZED OPENING OF LETTER

Mr. A. D. Hales (Wellington): Mr. Speaker, I rise on a question of privilege. I have in my hand a letter addressed to the Chairman of the Public Accounts Committee, Parliament Buildings, Ottawa. It was delivered to me yesterday, opened, by the Postmaster of the West Block post office. He did not know who had posted it or any other circumstances other than that the letter had been opened. He brought it to my office. On the front of it was written "105S West Block".

[*Translation*]

Mr. Laprise: I am rising on a question of privilege, Mr. Speaker.

[*English*]

Mr. Speaker: Order, please. I apologize to the hon. member who has the floor. There appears to be no interpretation. I gather that is why the hon. member for Abitibi was rising to put his own question of privilege. Perhaps by the time the hon. member resumes his presentation the matter will have been cleared up.

[*Translation*]

If the hon. member wants to pursue his remarks, I believe the interpretation system is functioning again.

[*English*]

Mr. Hales: Mr. Speaker, I shall start over again. I did not know the wires were being cut off so soon.

Some hon. Members: Oh, oh!

Mr. Hales: I have in my hand, Mr. Speaker, a letter addressed to the Chairman of the Public Accounts Committee, Parliament Buildings, Ottawa, Ontario. It was delivered to me yesterday by the Postmaster of the West Block post office. The letter had been opened. There is a piece of cellophane across the top. There was no explanation whatsoever as to why it was opened. On the front of it somebody had written, "105S West Block". There is no such room in the West Block, although there is a Room 105S in the East Block.

Mr. Baldwin: That is the Gestapo.

Unauthorized Opening of Mail

Mr. Hales: I should like to submit this letter to the Standing Committee on Elections and Privileges and let them find out where it went and who opened it.

Mr. Speaker: Order, please. The hon. member can do this by communicating directly with the committee. The hon. member knows that he cannot raise a question of privilege at this time since the Chair has not received notice as required by the Standing Order. The hon. member in his statement referred to the fact that a committee is investigating such matters. I would hope there would not be debate from day to day on matters which are being considered by the committee. Certainly, the hon. member will recognize that he has not given the notice required under the Standing Orders. Since, by his own admission, this only happened yesterday, the matter cannot be raised at this time.

Mr. Hales: Mr. Speaker, could I revert to motions to move a motion under Standing Order 43?

Mr. Speaker: Order, please. When the hon. member requested the floor a moment ago I was under the impression that he was seeking the floor to put a motion under Standing Order 43. If he wants to move a motion it will be proposed, but I have some qualms whether we should by a motion moved under Standing Order 43, bring forward for debate in the House a matter which, by unanimous order of the House, is now under consideration by the committee.

All this having been said, the hon. member might indicate what the motion will be. Of course, if the hon. member wants to propose a motion the Chair will consider it.

Mr. Hales: I would therefore like to move, Mr. Speaker:

That the letter be referred to the Committee on Privileges and Elections for their investigation.

Mr. Speaker: If the hon. member will supply the Chair with a copy of the motion, as required by Standing Order, it will be put to the House under the terms of Standing Order 43.

I was going to suggest that we could go to another item of business. However, the motion is being presented now. Hon. members have heard the motion proposed by the hon. member for Wellington. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Jerome: No.

Some hon. Members: Oh, oh!

Mr. Jerome: I said no.

Mr. Fairweather: Why did the hon. member say no? Is he following a double standard?

Mr. Jerome: I said no.

[Mr. Baldwin.]

HOUSE OF COMMONS

BROADCASTING OF PROCEEDINGS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. David MacDonald (Egmont): Mr. Speaker, in view of the motion I am about to present under Standing Order 43 and in view of the general agreement, I believe, on all sides—

An hon. Member: No.

Mr. MacDonald (Egmont): Mr. Speaker, I find it strange that any member would object to hearing the motion.

An hon. Member: That is not strange.

Mr. MacDonald (Egmont): In view of the precedential decision by the Alberta legislature to permit radio, television and photographic coverage of its proceedings and, recalling the lengthy discussion and investigation of our own committee on procedure and the general agreement of all members and, because of a basic public right to see, hear and know, I move, seconded by the hon. member for Annapolis Valley (Mr. Nowlan):

That this House undertake to provide access to all its proceedings for the purpose of broadcasting commencing April 10, 1972.

I would hope this motion would find favour with all members of the House.

Mr. Speaker: Hon. members have heard the motion proposed by the hon. member for Egmont. The motion requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: The motion cannot be put.

* * *

FAMILY INCOME SECURITY PLAN

MEASURE TO PROVIDE BENEFITS IN RESPECT OF CHILDREN

Hon. John C. Munro (Minister of National Health and Welfare) moved for leave to introduce Bill C-170, to provide for the payment of benefits in respect of children.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

ABILITY OF MANPOWER COUNSELLORS TO ASSIST UNEMPLOYED

Question No. 23—**Mr. Marshall:**

Did the Minister of Manpower and Immigration state that a lot of people really don't know what to expect from the various government agencies and, if so, does he consider Manpower counsellors capable of assisting the unemployed?

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): The Minister does not recall making the exact statement as it appears in the first part of the question but he has stated that many people are frequently unaware of the services available from the various government departments and agencies. With regard to the second part of the question he does consider manpower counsellors capable of assisting the unemployed through the various manpower programs and services provided through Canada Manpower Centres, including occupational and labour market counselling, referral to employment, occupational training and allowances, referral for vocational rehabilitation and geographical mobility assistance.

EDUCATION—FEDERAL ASSISTANCE, ONTARIO

Question No. 39—**Mr. McBride:**

1. Within the Province of Ontario, is grade 13 designated as post-secondary education for the purposes of federal assistance?

2. If so, what percentage of the cost of grade 13 in Ontario has been borne by the Government of Canada in each of the past five years?

3. What was the amount of that assistance in each of the above mentioned years?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): 1. Yes.

2. Fifty per cent of eligible operating expenditures as defined under Part II of the Federal-Provincial Fiscal Arrangements Act, 1967 and its regulations.

3. 1967-68, $16,153,670; 1968-69, $18,947,357; 1969-70, $23,326,300 (estimate); 1970-71, $28,219,500 (estimate); 1971-72, $32,988,500 (estimate).

[*English*]

URBAN AFFAIRS—TRI-LEVEL CONSULTATIVE MECHANISMS

Question No. 47—**Mr. Ryan:**

Have any permanent, tri-level consultative mechanisms been established among municipal governments, provincial governments, and the Ministry of State for Urban Affairs planning officials or other officials and (a) if so, what are the mechanisms and what is the nature of each (b) if not, is the possibility of establishing such mechanisms being looked into by the Ministry?

Hon. Ron Basford (Minister of State for Urban Affairs): No permanent tri-level consultative mechanisms in Urban Affairs have yet been established, although considerable progress has been made to that end in several consultations. (b) Work is in progress now within the Ministry of State for Urban Affairs, in cooperation with other governments, on establishing mechanisms for tri-level consultation in urban affairs, following upon major federal-provincial discussions in Winnipeg in April of 1971, in Victoria in August of 1971 and at the November, 1971, Conference of First Ministers in Ottawa. Provincial governments, which have constitutional authority for municipalities, have expressed no views which cannot be accommodated within the principle of tri-level consultation.

FEDERAL ASSISTANCE TO UTEX CORPORATION, VICTORIAVILLE

Question No. 102—**Mr. Fortin:**

Did the Utex Corp. in Victoriaville receive any subsidy from any department since January 1, 1966 and, if so (a) what was the amount in each case, and (b) by department, on what dates were such payments made?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): No.

FEDERAL GRANTS FOR THE CREATION OF EMPLOYMENT OPPORTUNITIES TO QUEBEC

Question No. 111—**Mr. Lambert (Bellechasse):**

Has the government recently granted loans to the Province of Quebec for the creation of employment opportunities and, if so (a) what was the amount of each such loan (b) what was the rate of interest on each such loan (c) what is the duration of each loan (d) what are the reimbursement terms?

Hon. John N. Turner (Minister of Finance): The following loans have been made to the Province of Quebec under the Special Development Loans Program authorized by Supplementary Estimates "C" for the fiscal year 1970-71. The loans are for a period of 20 years with interest payable annually and the principle payable in full at maturity.

Date Issued	Amount $	Interest Rate %
March 1, 1971	12,000,000	6.88
April 1, 1971	4,900,000	6.82
May 1, 1971	4,900,000	7.00
June 1, 1971	4,900,000	7.16
July 1, 1971	4,900,000	7.26
August 1, 1971	4,900,000	7.41
September 1, 1971	4,900,000	7.54
October 1, 1971	4,900,000	7.25
November 1, 1971	4,900,000	7.14
December 1, 1971	4,900,000	6.93
January 1, 1972	4,900,000	6.76
February 1, 1972	4,900,000	6.75

As of February 11, 1972 no loans have been made to the Province of Quebec under the current Employment Loans Program.

FEDERAL ASSISTANCE TO ENGLISH NEWSPAPERS

Question No. 113—**Mr. Lambert (Bellechasse):**

Has the government granted financial assistance through one of its departments or agencies to any daily English newspaper to assist in providing correspondents in Ottawa to ensure better dissemination of information throughout Canada, and, if so (a) what department or agency was involved (b) what newspapers

benefit or have benefited (c) what amounts are spent each year for this purpose?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): No.

PERMANENT JOINT BOARD ON DEFENCE

Question No. 168—**Mr. Laprise:**

Since the establishment of the Permanent Joint Board on Defence in 1940 (a) who have been the chairmen of the Canadian section (b) for how many years were they in office (c) what are the names of the other Canadian representatives?

Hon. Mitchell Sharp (Secretary of State for External Affairs): (a) Chairmen, Canadian section: Colonel O. M. Biggar; General the Hon. A. G. L. McNaughton; Mr. L. D. Wilgress; Mr. A. D. P. Heeney; Senator J. B. Aird. (b) Years in office: August 1940-August 1945; August 1945-August 1959; August 1959-September 1966; March 1967-January 1971; October 1971—. (c) Names of other Canadian representatives: Major General D. R. Adamson; Rear Admiral J. A. Charles; Brigadier General G. G. Bell; Mr. R. P. Cameron; Colonel K. W. Macdonald; Captain D. N. Mainguy; Colonel W. B. S. Sutherland; Mr. A. P. Sherwood; Lt. Colonel J. F. Corrigan; Mr. W. E. Grant; Mr. H. M. Walsh.

CANADA ASSISTANCE PLAN—PAYMENT OF SALARIES TO PERSONNEL

Question No. 177—**Mr. Caouette:**

1. Does the federal government pay half of the salaries of provincial public servants who administer the social assistance Acts on the same basis that it pays half of the benefits to welfare recipients?

2. Are there any mechanisms for assuring that salary policies are being respected and that the money is not being used for other purposes and, if so, what are they?

Hon. John C. Munro (Minister of National Health and Welfare): 1. No. The salaries in question are considered as welfare services and the federal government currently shares, under the Canada Assistance Plan, to the extent of 50 per cent of the portion of such costs in excess of base year costs as established for the fiscal year 1964-65. Benefits to welfare recipients are not subject to base year deductions.

2. Yes. Persons whose salaries are cost-shared must be employees of provincial or municipal welfare departments, or of agencies which are nominated by the provincial authorities and approved for cost-sharing by the federal government. Claims for shareable costs are audited by provincial auditors, examined by field representatives of the Canada Assistance Plan and by federal auditors to ensure that they comply with the terms and conditions of the Act and the agreements made under the Act.

*PROJECTS APPROVED UNDER LOCAL INITIATIVES PROGRAM

Question No. 242—**Mr. Diefenbaker:**

In what towns, villages, or municipal areas have projects under the Local Initiatives Program been approved and in what amounts in the constituencies of (a) Saskatoon-Humboldt (b) Prince Albert (c) Saskatoon-Biggar?

[Mr. Lambert (Bellechasse).]

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, the answer to this question is in statistical form. It is rather lengthy. If the right hon. member agrees, it could be printed in *Hansard* as though read. I had an extra copy made of the reply and I would be pleased to send it across the floor to him at the present time.

[*Editor's Note: The answer above referred to is as follows:*]

(a) Constituency of Saskatoon-Humboldt

Project		Federal Contribution
421–1	Saskatchewan Council for Crippled Children	22,246
421–10	Alliance of Youth and Elderly	56,395
421–31	Saskatchewan Association for Mentally Retarded	16,380
421–50	Institute for Northern Studies	30,000
421–71	Boy Scouts of Canada	17,990
421–107	Manitoba-Saskatchewan Conference of Seventh Day Adventists	13,572
421–108	Saskatoon Documentary Media	33,462
421–134	Saskatchewan Order of the Eastern Star	21,411
421–179	Indian Northern Curriculum Resources-Saskatchewan College of Education	29,773
422–12	Town of Allan	38,610
422–19	Town of Humboldt	26,376
422–52	Town of Wakaw	18,954
422–95	Rural Municipality of Pleasantdale	36,500
422–135	Humboldt Roman Catholic Separate School District No. 13	19,305
422–170	Town of Cudworth	13,718

(b) Constituency of Prince Albert

Project		Federal Contribution
421–17	Gronlid Minor Sports Association	50,000
421–45	Federation of Saskatchewan Indians	20,000
421–103	Prince Albert Fish and Game League	25,000
421–145	Prince Albert and District Association	31,122
421–185	Trail Riders Recreation Cooperative Arena	15,865
421–192	Kinsmen Club of Tisdale	7,371
421–204	Tisdale Community Curling Centre	7,862
421–224	Nipawin Lions Club	14,800
421–233	Pasquia Regional Park Authority	26,318
421–236	Tisdale Community Fairs Association	9,879
421–277	Beatty and District Memorial Booster Club	9,336
421–311	Synod of the Diocese of Saskatchewan	74,480
422–49	Town of Birch Hills	17,784
422–57	Prince Albert School District No. 56	15,444
422–133	Local Improvement District No. 983 Loon Lake	7,722

422–134	Nipawin School District No. 61	7,500
422–162	Kinistino Union Hospital	10,413

(c) Constituency of Saskatoon-Biggar

Project		Federal Contribution
421–2	Western Development Museum	95,311
421–28	Saskatoon Family Service Bureau	30,000
421–72	Saskatoon Antique Auto Club	17,550
421–184	Big Bear	14,016
421–221	Metis Housing Group	35,568
421–262	Saskatoon YMCA	7,722
421–268	Saskatoon Labour Building Association	41,184
422–44	St. Paul's Roman Catholic School District No. 20	16,731
422–58	Board of Education	48,087
422–65	City of Saskatoon	10,062
422–66	City of Saskatoon	32,946
422–67	City of Saskatoon	25,272
422–132	Town of Waldheim	16,614

PROJECTS APPROVED UNDER LOCAL INITIATIVES PROGRAM

Question No. 243—**Mr. Diefenbaker:**

How many projects as of this date have been approved under the Local Initiatives Program, and in what total amounts in (a) Saskatchewan (b) Alberta (c) Manitoba?

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): The following number of projects has been approved in the total amount indicated as at March 1, 1972: (a) in Saskatchewan, 172 projects—$4,187,905 (b) in Alberta, 304 projects—$7,883,315 (c) in Manitoba, 200 projects—$5,478,616.

MOTIONS FOR PAPERS

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, notice of motion for the production of papers No. 32 is acceptable to the government.

COPY OF REPORT BY CANADIAN FACTS COMPANY LIMITED ON PUBLIC OPINION SURVEY FOR DEPARTMENT OF LABOUR, 1968-69

Motion No. 32—**Mr. Skoberg:**

That an Order of the House do issue for a copy of the consultant report by Canadian Facts Company Limited, on a public opinion survey undertaken for the Department of Labour in the fiscal year 1968-69, as mentioned in answer to Question Number 1,323 of the 1st Session of this Parliament.

Motion agreed to.

Mr. Jerome: Mr. Speaker, I ask that the remaining notices of motions be allowed to stand.

Mr. Skoberg: Mr. Speaker, I rise on a point of order with regard to notice of motion No. 35. It concerns the CNR pension plan and correspondence between the Minister of Transport (Mr. Jamieson) and CNR officials. Could I have some indication whether this motion will be answered at an early date?

Mr. Jerome: Mr. Speaker, we will look into that question. Of course, that entire subject is before the House at the present time in the CNR financing and guarantee measure.

• (1420)

ORAL QUESTION PERIOD

EXTERNAL AFFAIRS

FORTHCOMING VISIT BY PRESIDENT NIXON TO CANADA—INQUIRY AS TO PRIOR RESUMPTION OF TRADE TALKS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is for the Acting Prime Minister. Now that the dates have been fixed for the visit to Canada by President Nixon, I should like to ask whether dates have also been fixed for the resumption of meetings between ministers and officials of our two countries with regard to trade? Have dates been set for such meetings to take place prior to President Nixon's visit to Canada?

Hon. Mitchell Sharp (Acting Prime Minister): I do not think those dates have yet been fixed. There have been some conversations involving my colleague the Minister of Industry, Trade and Commerce, in which United States representatives were discussing the resumption of these talks, but I do not think a date has yet been fixed.

FORTHCOMING VISIT BY PRESIDENT NIXON TO CANADA—INQUIRY AS TO PRIOR ANNOUNCEMENT OF GOVERNMENT POLICY ON FOREIGN INVESTMENT

Hon. Robert L. Stanfield (Leader of the Opposition): Will the government announce its policy with regard to foreign investment in Canada prior to President Nixon's visit to our country? I ask this question in view of the breakthrough with regard to understanding that the Prime Minister announced he had achieved during his last visit to Washington.

Hon. Mitchell Sharp (Acting Prime Minister): I do not think the visit of the President is relevant to this question one way or another. As the hon. gentleman knows, we have been working on the application of principles upon which we have already agreed. This, and the preparation of the background material, is the only reason why an announcement has not been made. It has nothing to do with the attitude of the United States government, which has not expressed a view on this subject.

Inquiries of the Ministry

POSSIBILITY OF PRESIDENT NIXON APPEARING BEFORE PARLIAMENTARY COMMITTEE DURING VISIT TO OTTAWA

Hon. Robert L. Stanfield (Leader of the Opposition): Can the Acting Prime Minister inform us whether approaches will be made to President Nixon with a view to arranging that he appear before an appropriate committee of parliament during his visit, as was arranged during the visit of Premier Kosygin, or so that a senior cabinet member accompanying him can appear before the committee in order that there can be a mutual exchange of views?

Hon. Mitchell Sharp (Acting Prime Minister): I would hope, as I am sure the hon. gentleman does, that the President would be very warmly welcomed in Canada. I would hope that perhaps the President himself would have an opportunity of appearing.

Hon. George Hees (Prince Edward-Hastings): During the visit of the President is it the intention of the Prime Minister to announce one of those fantastic breakthroughs, when he will be able to tell the country that President Nixon has assured him—

Mr. Speaker: Order, please.

* * *

GRAIN

INQUIRY AS TO PROPOSALS BY RAILWAYS TO LEASE ADDITIONAL LOCOMOTIVES AND FREIGHT CARS TO EXPEDITE MOVEMENT

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, may I ask the minister in charge of the Wheat Board whether the C.P.R. has made specific proposals to the Canadian Wheat Board offering to lease additional locomotives and freight cars and to put them exclusively into grain service for the last three months of the current crop year on the condition that the Canadian government would be prepared to pay the leasing costs? If so, can the minister inform the House of the reply made to this offer by the Wheat Board or by himself as the responsible minister?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the question of available equipment and steps required to add additional equipment to meet our ever-increasing record volume of sales—

Some hon. Members: Hear, hear!

Mr. Lang: —is under discussion between the Wheat Board and the railroads. The government is following the discussions keenly. It would be premature at this point to comment on where they stand, but I may have something further to say to the House in due course.

Mr. Gleave: Can the minister tell the House whether the C.N.R. has made a similar offer or whether it has been asked to make a similar offer so that the Wheat Board might be better able to meet its commitments and enter into new contracts?

Mr. Lang: The Wheat Board is holding discussions with both railroads.

[Mr. Sharp.]

PROVISION OF SUFFICIENT CLEAN GRAIN AT THUNDER BAY TO MEET COMMITMENTS WHEN SEAWAY OPENS

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, my question is supplementary or related to the one which has just been asked. Having regard to the forecast that the St. Lawrence Seaway will open early this year, and the current widespread concern in the grain trade that there is not nearly sufficient clean grain in storage at Thunder Bay to meet our spring overseas commitments, will the minister check into this serious situation immediately with his colleague, the Minister of Transport, to ensure, if possible, that the railroads take steps at once to rectify this problem?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the Wheat Board is fully aware of the possibility of an early opening of the navigation season on the seaway and welcomes this very much. The Wheat Board is accordingly trying to arrange for the appropriate movement of grain to meet its needs. I understand they are satisfied with the program that is in place and that they are in close contact with the railroads to ensure that grain is moved as required.

POSSIBLE OPERATION OF VANCOUVER TERMINALS ON SIX OR SEVEN-DAY BASIS—PAYMENT OF OVERTIME BY GOVERNMENT

Mr. Les Benjamin (Regina-Lake Centre): I have a supplementary question, Mr. Speaker. May I ask the minister in charge of the Canadian Wheat Board what the status is of discussions or plans concerning operating the terminals at Vancouver on a six or seven-day basis rather than on a five or five and a half day basis? If operations are to be on a six or seven-day basis, is the government giving consideration to assuming the cost of overtime pay?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, it is my understanding that in earlier discussions the terminals indicated to the Canadian Wheat Board a willingness to move to longer periods of operation whenever that would clearly allow the unloading of more cars of grain. There has been no question of additional payment above the regular rates paid for handling of grain.

Mr. Speaker: Order, please. Hon. members will notice that there are quite a few members seeking to ask supplementaries. We will have two or three and then go to the next subject. The hon. member for Mackenzie.

SOURCE OF ADDITIONAL FREIGHT CARS TO EXPEDITE MOVEMENT

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I should like to ask either the minister in charge of the Wheat Board or the Minister of Transport where these extra cars will come from, from the United States or elsewhere, since apparently we were not able to fulfil the need at Vancouver during the last several months?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I think it would be premature to comment on the exact source of the cars. There are some cars available and

steps are being taken to ensure that they are put into place.

Mr. Jack Murta (Lisgar): I have a supplementary question, Mr. Speaker. May I ask the minister responsible for the Wheat Board whether the department accepts the position that unless something is done—by that I mean putting grain elevators and terminals on a seven-day week—the government will have to finance a costly expansion program of locomotives and car fleets to meet this year's requirements?

Mr. Lang: Mr. Speaker, that is really another way of asking basically the same question in regard to what we may do. What we are doing is to try to ensure that all parties involved in the grain movement face the challenge presented by the record volumes that will have to be moved, and that each in his own turn plays his part to make that possible. I cannot at this time be specific about the exact things that will be required to accomplish this, but I can say that almost every sector of the industry will have to put additional effort into this movement.

Mr. Speaker: Order, please. The Chair will recognize a last supplementary on this subject for the moment from the hon. member for Regina East, and then the Chair will recognize the hon. member for Bellechasse.

REQUEST FOR STATEMENT ON SHORT AND LONG-TERM PLANS FOR TRANSPORTATION AND HANDLING

Mr. John Burton (Regina East): Mr. Speaker, I wonder whether the minister would be prepared to undertake to make a statement on motions in the near future outlining plans which are being made to handle the anticipated grain movement during the next several months; and could he also indicate when we might have further word on long-term plans concerning grain transportation and handling, and particularly on the report which I understand is being prepared by a group under his direction?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, as decisions are taken about additional steps to carry the large movement of grain they will be announced either in the House or by the particular portion of the industry concerned, or by the minister, as may be appropriate.

* * *

[*Translation*]

AGRICULTURE

HOGS—COMPENSATION TO PRODUCERS OF WEANLINGS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I should like to put a question to the hon. Minister of Agriculture.

In a press release dated February 3, 1972, the minister announced the policy on compensation to weanling producers who took losses in 1971. Since that date, has the minister received from producers of weanlings, known in French as "naisseurs" requests for compensation to make up their losses over that same period?

Inquiries of the Ministry

• (1430)

[*English*]

Hon. H. A. Olson (Minister of Agriculture): The answer, Mr. Speaker, is yes. I have received representations in many forms, directly and through dozens of letters. But the situation is that we would not like to pay the $5 deficiency on the same hog more than once. Therefore we are going to pay when it comes to market, and not each time it is traded along the way.

[*Translation*]

DISTINCTION BETWEEN HOG AND WEANLING PRODUCERS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I should like to put a supplementary question to the minister.

I understand perfectly this point of view, but I would ask the minister whether he is prepared to recognize that one must distinguish between the ordinary pig breeders and those who breed piglets?

[*English*]

Hon. H. A. Olson (Minister of Agriculture): It is very easy to recognize that there are people who are engaged in the business of producing feeder hogs, sometimes called piglets or weaners, for people who fatten them to market weight. We certainly recognize that they had low prices during 1971 as well as in other years, but the administrative problem of attempting to work out one deficiency payment for one hog and not pay it each time it is traded is very real.

[*Translation*]

Mr. Lambert (Bellechasse): I should like to put a further supplementary, Mr. Speaker.

[*English*]

Mr. Speaker: Order, please. We must try to move along or we will be running short of time. Perhaps we might return to the subject later. For the moment the Chair will recognize the right hon. member for Prince Albert.

* * *

AIRPORTS

RESPONSE TO OBJECTIONS TO SITE FOR NEW FACILITY IN PICKERING TOWNSHIP—REQUEST FOR LIST OF LOCATIONS CONSIDERED

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I direct this question to the Minister of Transport. My interest goes back to my boyhood days when I lived in the Pickering township area. Because of the tremendous unrest and ill feeling that have resulted from the choice of the area in Pickering township for the new airport, and having regard to the fact that it means the destruction of one of the finest agricultural areas in the province of Ontario as well as the removal of many historic buildings that go back 150 years, is consideration being given to paying any attention to the strong objections that are being raised not only privately but publicly at meetings against this decision?

Inquiries of the Ministry

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I will try to answer the number of issues raised by the right hon. member as quickly as I can. The short answer is yes. There are hearing procedures and people can file objections, so that there will be an opportunity for a full venting of this particular issue.

On the matter of historic sites, we have made arrangements and I have given instructions that every effort be made, and I think it can be made, to preserve all of these. In many cases, people whose land is expropriated will not necessarily have to move from that land, and we are prepared to put it on a lease-back basis to them until such time as it is needed. All of these facts will emerge over the next few weeks. Since the right hon. member lived in that area we might even find that spot and make it a historic site as well.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: It so happens that the school in question at which my father taught is just outside the area. I would ask the minister whether, even though provision is made for objections to be raised, any attention will be paid to the objections or will it merely be a formality? Second, because of the many other available sites that would not entail the destruction of valuable farmland, would the minister table the list of the 50 or so areas to which consideration was given before the final decision was made, and will he let the House know what were the last three areas from which the choice of Pickering township was finally made?

Mr. Jamieson: Yes, Mr. Speaker. I do not know about the 52 sites. I think that would be a very big job for assessment, even for the right hon. member. But what I have said is that we will make available all of the relevant data—and I use that in the broadest sense of the word—so that people will know the basis on which the decision was made. I should also point out, of course, that it was made in conjunction with the government of Ontario which also has plans for that area and is in fact covering a larger portion of property than ourselves.

Mr. Diefenbaker: Mr. Speaker, the fact that the two governments joined does not make it any better or any worse, and I do not excuse it on that basis.

Mr. Speaker: Order, please.

* * *

NORTHERN AFFAIRS

REPORT BY DR. USHER—REQUEST THAT MINISTER APOLOGIZE FOR COMMENTS

Mr. Erik Nielsen (Yukon): Mr. Speaker, I would like to direct a question to the Minister of Indian Affairs and Northern Development based on a personal attack made by him on one of his employees, Dr. Usher, in connection with the Banks Island report that was produced. Is the minister prepared to accede to the request of the Professional Institute of the Public Service of Canada and apologize publicly to Dr. Usher and concede that the remarks were inappropriate?

[Mr. Diefenbaker.]

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, my reputation is fairly well established and I have only said what I really thought. That document was published at the request of Dr. Usher who was attacking the government. Obviously, he could expect me to reply, because I do not usually let myself be attacked without defending myself.

[*English*]

Some hon. Members: Hear, hear!

Mr. Nielsen: Will the minister at least concede that his description of Dr. Usher's conclusions as being stupid was wrong and that it was indeed not a shabby piece of research as the minister alleged?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I read this report and, on being asked what I thought of it, I answered with my well-known frankness.

[*English*]

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. Hon. members who were in the House yesterday will remember that the Chair undertook to try to give an opportunity to ask questions to members in the fourth and fifth rows who were left by the wayside during the question period yesterday. I would hope I would get the co-operation of hon. members in that respect. I always find it a little difficult not to give some priority to the frontbenchers and to the second row frontbenchers. This is why I am seeking their co-operation in giving the Chair an opportunity to see members in the third, fourth and fifth rows.

* * *

TRANSPORT

REQUEST FOR GENERAL REVIEW OF RAILWAY MAINTENANCE PROCEDURES IN LIGHT OF ACCIDENTS

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I should like to direct a question to the Minister of Transport. In view of the recent numerous and serious accidents on this country's railways, which have not been confined to any particular locale, would the minister consider having a general review undertaken of the maintenance procedures of this country's major railways?

Some hon. Members: Hear, hear!

Hon. Donald C. Jamieson (Minister of Transport): I thank hon. members for their applause.

Some hon. Members: Oh, oh!

Mr. Fairweather: Joey Smallwood has left.

Mr. Jamieson: Such a review has already been undertaken and, as I recall, there are three separate reviews. The most comprehensive one by the Canadian Transport Commission is, I understand, just about ready for tabling,

and I have asked that it be speeded up as much as possible.

Mr. J. M. Forrestall (Dartmouth-Halifax East): In light of the indication from the minister that this very serious matter is being considered, would he refer to the group making this inquiry the recommendations I have brought before the House with respect to an independent transportation safety inquiry commission?

Mr. Jamieson: I do not think it would be appropriate to refer it to the Canadian Transport Commission, but if the hon. member will give me more details and tell me how such a plan might be effective I will be glad to consult with all the relevant authorities. Indeed, if it makes more sense than the present arrangement I have indicated I will be prepared to implement it.

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, my supplementary question is for the Minister of Transport. In view of the increasing number of derailments and fatalities that have occurred in the past two or three weeks in rail operations, would the minister not agree to institute a public inquiry into these mishaps rather than the type of inquiries we have seen in the past?

• (1440)

Mr. Speaker: Order, please. I am not sure whether a question asked in those terms is in order.

ABANDONMENT BY CANADIAN NATIONAL RAILWAYS OF PASSENGER SERVICE TO GRAND CENTRE, ALBERTA

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my supplementary is for the Minister of Transport. Does he intend to take any action to prohibit Canadian National Railways from ending its passenger service to Grand Centre, Alberta?

Mr. Speaker: The hon. member for Selkirk.

* * *

UNEMPLOYMENT INSURANCE

DELAY IN PAYMENT OF BENEFITS—ACTION TO PREVENT LOAN-SHARK OPERATIONS

Mr. Doug Rowland (Selkirk): Mr. Speaker, my question is directed to the Parliamentary Secretary to the Minister of Manpower and Immigration. Has the government yet taken any steps to end the practice of lending money at usurious interest rates against the future receipt of unemployment insurance cheques?

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, as hon. members are aware, the minister is very concerned about the practice of discounting unemployment insurance benefit warrants. I want to assure the hon. member that consideration is being given to a number of measures designed to halt the practice. I can inform the House that as of now a process is beginning and new regulations are being instituted under the unemployment insurance plan to prevent the use of an address which is not that of a claimant for mailing purposes without the permission of the Unemployment Insurance Commission. I must say our survey shows that there is little evidence that the practice of discounting benefit warrants is related directly to delays in payment of UIC benefits.

Mr. Rowland: Mr. Speaker, I would ask the parliamentary secretary if the government is contemplating legislation. I can see how this particular regulation will have some beneficial effect, but is the government contemplating legislation to stop this discounting practice permanently with regard to unemployment insurance cheques, pension cheques, T4 slips, income tax rebates and so forth?

Mr. Perrault: Mr. Speaker, the answer is yes.

ALLEGED DIFFICULTY IN CASHING OF CHEQUES AT BANKS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a supplementary to the parliamentary secretary. In light of the fact that there seems to be some problem in respect of recipients cashing unemployment insurance cheques in that banks are balking at cashing these cheques, would the parliamentary secretary take it upon himself to discuss this matter with the leaders of the banking industry so that some solution can be found?

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, I would express the hope that the lending institutions of Canada would accept their social responsibility and provide whatever assistance they can in this direction.

* * *

[*Translation*]

MANPOWER

LOCAL INITIATIVES PROGRAM—SUGGESTED EXTENSION OF DEADLINE FOR COMPLETION OF PROJECTS

Mr. René Matte (Champlain): Mr. Speaker, I have a question for the Minister of Labour.

Will the municipalities where local initiative projects have been approved after the deadline be authorized to carry on their work after May 31, 1972?

[*English*]

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, I thank the hon. member for sending me notice of his intention to ask this question. I do not think there is any consideration being given at present to the proposed extension. There may be some confusion since there was a recent announcement that under another program begun in the previous year, the loans program, there is an extension from March 31 to May 31. That applied to municipal projects but not to LIP projects.

Inquiries of the Ministry

TRANSPORT

ACTION TO PROVIDE RAILWAY CARS TO MOVE LUMBER AND AVOID LAY-OFFS

Mr. Robert Borrie (Prince George-Peace River): Mr. Speaker, I have a question on an urgent matter for the Minister of Transport concerning the shortage of box and flat deck rail cars in the area served by the CNR from Prince George and in the Kamloops-Cariboo territory. Would the minister advise what immediate steps are being taken to provide for the transportation of lumber in these areas so that shift work will not be reduced, thereby causing temporary lay-offs of up to 50 per cent?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, all I can say other than that I will take the question as notice is that I know there have been additional problems this year because of the extremely severe weather conditions, but I will get more details and provide them to the hon. member as soon as possible.

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MANPOWER

STUDY OF SITUATION IN WEST GERMANY BY FORMER LIBERAL PARTY OFFICIAL—DATE REPORT EXPECTED—REQUEST FOR TABLING

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I should like to direct a question to the Acting Minister of Manpower and Immigration. Last week the House was told that J. P. Lefebvre had been hired for a 15-week period at a total salary of $9,000 plus expenses and secretarial costs to study manpower policies and institutions in West Germany. Can the minister now say when Mr. Lefebvre's report is expected under the terms of his contract with the department and whether it will be made public?

Mr. Speaker: Order, please. I suggest to the hon. member that a question of this kind normally should be placed on the order paper, but if the minister wishes to reply briefly he will be allowed to do so.

Hon. Martin P. O'Connell (Acting Minister of Manpower and Immigration): Mr. Speaker, we expect the report to be made available to the department within the terms of the contract. I will report later on whether it will be made public. It is an internal document, as I understand it, for the department.

Mr. Paproski: In light of the fact that sources in the minister's own department have said that the same information Mr. Lefebvre is seeking is already available through ongoing surveys by the OECD, will the minister tell the House now, or by way of a statement on motions, what additional information he expects to receive from this very costly contract to a former Liberal party member?

Mr. Speaker: Order, please. The hon. member for Cardigan.

[Mr. O'Connell.]

UNEMPLOYMENT INSURANCE

SUGGESTED ESTABLISHMENT OF COMMISSION OFFICE IN CHARLOTTETOWN

Mr. Melvin McQuaid (Cardigan): Mr. Speaker, my question is directed to the Acting Minister of Manpower and Immigration. Has the government any immediate plans to move the Unemployment Insurance Commission office back from Moncton to Charlottetown so that claims in Prince Edward Island can be dealt with more efficiently and promptly?

Hon. Martin P. O'Connell (Acting Minister of Manpower and Immigration): I will take the question as notice, Mr. Speaker.

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CANADIAN BROADCASTING CORPORATION

ACTION BY MINISTER TO RESOLVE DISPUTE WITH NABET—REQUEST FOR STATEMENT

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I have a question for the Secretary of State. On Friday last the minister said that the situation in respect of the Canadian Broadcasting Corporation and NABET was fluid and that he hoped it would stabilize around the bargaining table. From recent newspaper reports it would appear that there is now a solid state of stagnation in the bargaining procedure. Can the minister, as the minister responsible, tell us what initiatives he intends to take to clear up and resolve this unfortunate labour dispute?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, the hon. member has been misinformed. Conciliation is continuing. The conciliators have asked for five more days to meet the parties separately, after which they would hope to meet them together.

[*English*]

Mr. Nowlan: Is the minister saying then that the two sides are presently negotiating? He has been asked since last Friday to make a statement on motions on this important labour dispute involving the most costly Crown corporation to Canadian taxpayers, which may set an example for the public service and all types of labour—

Mr. Speaker: Order, please.

Mr. Nowlan: I was coming to the question.

Mr. Speaker: The hon. member should ask the question. He will appreciate he was perhaps going beyond the limits of an ordinary question. Would the hon. member kindly ask his question.

Mr. Nowlan: I may be going a little beyond the ordinary, confined, restrictive rules of the House, but when we see a public corporation involving taxpayers' money and the government sitting on its fat seat—

Mr. Speaker: Order, please. Would the hon. member kindly ask the question. We do have to try to make headway.

An hon. Member: Shame!

Mr. Nowlan: Shame on the government for sitting on its seat. My question is this: Will the minister please check with the various parties to ascertain whether more than 100 substantive items are still outstanding and make a report to the House and to the people of Canada tomorrow on what is holding up settlement of this dispute involving a Crown corporation that receives more money from the taxpayers than any other in Canada?

[*Translation*]

Mr. Pelletier: Mr. Speaker, I do not think it would be appropriate for a minister to give a daily account on motions of negotiations between a Crown agency and its employees. The answer to the hon. member, therefore, is no, unless new developments occur.

• (1450)

[*English*]

Mr. David Orlikow (Winnipeg North): As a supplementary question, Mr. Speaker, I would like to ask the Secretary of State whether he would follow the suggestion made by the Quebec vice-president of the CBC to the president and urge the president to enter into the negotiations himself with some authority so that this dispute can be brought to an early conclusion?

* * *

FISHERIES

DECLINE IN CATCHES OF CERTAIN SPECIES—TALKS WITH RUSSIA AND OTHER COUNTRIES ON CONSERVATION OF CONTINENTAL SHELF RESOURCES

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. In view of the significant decline in the Canadian catch of haddock, redfish, codfish and herring brought about by the overfishing of these species by the Russian, German and Polish fleets on our continental shelf, has the minister held any talks recently with these countries, and specifically with his counterpart in the U.S.S.R., concerning the necessity of carrying out conservation measures with respect to the groundfish resources on our continental shelf?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, in my capacity as Secretary of State for External Affairs I have made statements of this kind, but my colleague, the Minister of the Environment, has had direct talks and of course is urging upon them the desirability of conservation measures that will be adequate to preserve these species.

Mr. Crouse: Mr. Speaker, I wish to direct one supplementary question to the Minister of Fisheries. In view of the decline by approximately one-third in the catch of some of these species, would the minister table in the House the fruits of his discussions with the Russians on this important matter?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, I believe a release was made yesterday of the results of our negotiations with the other 13 nations in the Commission for the North Atlantic fisheries. It dealt with herring. Herring stocks are being depleted. We have established quotas for the first time, international agreements on quotas in international waters, which will help, with amendments, in time.

Mr. Crouse: Mr. Speaker, I wish to ask one further supplementary question. Have quotas—

Mr. Speaker: Order, please. The Chair will recognize the hon. member, but I have to point out to hon. members that we are again running short of time.

Mr. Crouse: Just one brief supplementary, Mr. Speaker. I realize that a statement on herring was tabled yesterday, but my question related to the main resource of codfish on the Grand Banks. Have any quotas been established between Canada and the countries I mentioned for codfish in particular?

Mr. Davis: Not yet, Mr. Speaker, but we are working on one species at a time. The principle has now been established. For the first time all 14 nations have agreed on over-all quotas and division of quotas in international waters.

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INDIAN AFFAIRS

REQUEST FOR TABLING OF STANBURY-FIELDS REPORT

Mr. Frank Howard (Skeena): Mr. Speaker, I understand the Minister of Indian Affairs and Northern Development would like somebody to ask him a question. Will he take deliberate steps himself to table in the House the Stanbury-Fields report on taxation of Indians in British Columbia?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, we cannot publish this report because we would need the consent of the government of British Columbia and the hon. member for Skeena probably has better relations with that government than myself.

* * *

[*English*]

STATUTORY INSTRUMENTS

INQUIRY AS TO INTRODUCTION OF RESOLUTIONS TO ESTABLISH COMMITTEE AND CHANGE STANDING ORDERS

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is directed either to the President of the Privy Council or to the Minister of Justice. Would either of the two ministers advise the House when it is the intention to bring forward the resolution to establish the committee on statutory instruments and also the resolution with regard to the change to be made in the Standing Orders of the House to give effect to the operations of that committee?

Inquiries of the Ministry

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I would like to take that question as notice.

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FINANCE

REASON FOR HIGHER BANK RATE IN CANADA THAN IN UNITED STATES—EFFECT ON FOREIGN INVESTMENT

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I would like to direct my question to the Minister of Finance but in his absence I will direct it to the Acting Prime Minister. Why is Canada's bank rate higher than that in the United States, and does this not encourage foreign investment in Canada?

Mr. Speaker: Order, please. A question of this nature cannot be asked at this time.

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AGRICULTURE

POTATOES—RESPONSE TO REPRESENTATIONS FOR ACTION TO RELIEVE DEPRESSED MARKET—POSSIBLE DIVERSION TO STOCK FEED

Mr. David MacDonald (Egmont): Mr. Speaker, my question is for the Minister of Agriculture. I am delighted to have the opportunity to ask him this question because for some days I have been trying to get answers from the President of the Privy Council and others with respect to the disposition of a number of carloads of potatoes that the Agricultural Stabilization Board has in Prince Edward Island. Did the minister's office receive a telegram this morning from the chairman of the Prince Edward Island Potato Co-ordination Committee expressing extreme dissatisfaction and surprise that the Agricultural Stabilization Board has not yet made a decision on using stocks of potatoes under the board's control for stock feed on Prince Edward Island? In light of the fact that very shortly these potatoes will be of little use even for feed—

Mr. Speaker: Order, please. Would the hon. member ask his question. We are short of time.

Some hon. Members: Hear, hear!

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I am not sure whether we are in receipt of that particular telegram, but I am well aware of the requests that have been made. There is another consideration that has to be taken into account, and that is the interests of those producers who have taken an advance payment. Now that the price in Prince Edward Island is well above the price at which these potatoes were purchased, those producers to whom an advance payment was made have some right to reacquire these potatoes and take advantage of the higher price by selling them on the market.

Mr. MacDonald (Egmont): As a supplementary—

[Mr. Lambert (Edmonton West).]

Mr. Speaker: Order, please. The hon. member for Egmont seeks a supplementary and also the hon. member for Malpeque. There are four minutes remaining before the end of the question period. I also see the hon. member for Halifax-East Hants who I think should be recognized. He has been trying to get the floor for a few days.

Some hon. Members: Hear, hear!

Mr. McCleave: Thank you, Mr. Speaker—

Mr. MacDonald (Egmont): On a point of order—

Mr. Speaker: Order, please. I apologize profusely to the hon. member for Halifax-East Hants. The hon. member for Egmont seeks the floor on a point of order.

Some hon. Members: Oh, oh!

Mr. MacDonald (Egmont): I seek the floor because the Minister of Agriculture has deliberately misled the House.

Mr. Olson: Not at all.

Mr. Speaker: Order, please. The hon. member cannot, according to the rules, charge another member, whether a minister or private member, with deliberately misleading the House. The hon. member knows that that is unparliamentary. Hon. members may mislead other members but not deliberately; they cannot be charged with that capital offence. The hon. member, I am sure, will withdraw this suggestion. We are now just two minutes from the end of the question period. If the hon. member for Halifax-East Hants will be patient he will be recognized in one moment.

Mr. MacDonald (Egmont): I would not accuse this minister of doing anything deliberately, but it is very true—

Some hon. Members: Oh, oh!

Mr. Olson: Mr. Speaker, on a question of privilege, under the rules of the House the hon. member is required to withdraw the statement he has made. You, Mr. Speaker, asked him to do so, and he is not doing it.

Mr. Speaker: Order, please. The hon. member for Egmont knows what the rules are. He is required to withdraw, and I am sure he will.

Mr. MacDonald (Egmont): Mr. Speaker, this minister would not do anything deliberately but he did mislead the House in suggesting that in fact potato growers in Prince Edward Island—

An hon. Member: Be a man for once.

Mr. MacDonald (Egmont): —are in a position whereby they are going to get a great deal more for their potatoes than earlier expected. This is only due to an artificially inflated price because of the shortage of reefer cars and it is not—

Mr. Speaker: Order, please. That is debate. The hon. member, I take it, has withdrawn the statement. He has no right to suggest that another member has deliberately misled the House. I am sure it is recognized by all hon. members that the rules have to be respected by them if

this House is to operate as a parliamentary institution. My understanding is that the hon. member has withdrawn, and I am sure he will want to confirm this for my peace of conscience.

Mr. MacDonald (Egmont): Mr. Speaker, I will be quite happy to withdraw provided the minister clarifies—

Mr. Olson: There are no provisions or conditions.

Mr. Speaker: Order, please. The hon. member cannot conditionally withdraw. I do not want to make an issue of this, but the hon. member should very simply indicate that he has withdrawn. This is my understanding in any event, and I do not feel it is necessary to pursue the matter.

Mr. MacDonald (Egmont): Mr. Speaker, if he would simply indicate—

Mr. Olson: No provisions.

Mr. MacDonald (Egmont): —that the price was artificially inflated—

Mr. Speaker: Order, please. We are obviously not profiting from this exchange. I take the liberty to bring to the attention of hon. members that this is why we get into difficulty from time to time, in fact perhaps every day during the question period. Many hon. members and, I suggest, very often the same hon. members, from day to day take what I consider very honestly more time than we ought to take on points of order, and that is unfair—

Some hon. Members: Hear, hear!

Mr. Speaker: —to many other hon. members seeking the floor. This is not a very tragic matter. The hon. member knows and we all know there are certain things we should not do. Sometimes in the heat of argument the words we use are a little stronger and go beyond our thought. The hon. member has said he did not want to charge the minister with deliberately misleading the House. This is what he said, and he cannot say it conditionally. I am sure he agrees with this. I point out that we have already taken three or four minutes of the time on this point, and I would hope we could now be allowed to go to the next question.

* * *

• (1500)

FISHERIES

SWORDFISH—NEGOTIATIONS WITH WASHINGTON RESPECTING RESTORATION OF MARKET

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, may I put some fish with those chips on the parliamentary plate and ask the Secretary of State for External Affairs or the Minister of the Environment and Minister of Fisheries whether there are active negotiations with Washington to meet the petition of Nova Scotia swordfishermen which was recently sent to the federal government and, if so, are these negotiations being handled by our embassy in Washington or from Ottawa?

Inquiries of the Ministry

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I will take the question as notice.

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NATIONAL REVENUE

ALLEGED DUMPING OF NETHERLANDS STARCH IN CANADA

Hon. J. A. MacLean (Malpeque): I should like to address a question to the Minister of National Revenue. Has the minister taken any action to inquire into allegations that starch is being dumped in Canada from the Netherlands, thus making difficult the diversion of surplus potatoes?

Hon. Herb Gray (Minister of National Revenue): Mr. Speaker, I have had a representative of the department visit the producer in New Brunswick who made a complaint about this matter, and as a result there has been a certain amount of investigation. The department has now obtained sufficient information upon which to decide whether there are grounds for initiating a formal investigation under the anti-dumping legislation. I shall make an announcement very soon.

* * *

TRANSPORT

REPRESENTATIONS BY MINISTER TO RAILWAYS TO PURCHASE MORE EQUIPMENT TO MOVE GRAIN

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, may I direct a question to the Minister of Transport. In view of the fact that every year representations are made to him to request the railways to make larger purchases of equipment, including locomotives, for moving grain, potatoes, and so on, can the minister tell the House whether he has made such representations? If he has, what kind of response has he received from the railways? Also, will he advise the House what priority Canadian National Railways are giving, in view of the $42 million to be provided under the bill we have been debating, to the purchase of locomotives and equipment suitable for grain movement?

Mr. Forrestall: Can the rest of us make a speech too?

Some hon. Members: Oh, oh!

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I am very anxious to answer the hon. member, but it appears that hon. members opposite are not anxious to hear it.

An hon. Member: Don't take as much time as the member did.

Mr. Jamieson: On the question of making representations to the railways, the answer is yes. We have not only made representations but there has been considerable discussion with Canadian National in recent weeks on the question of providing sufficient cars primarily for grain. I can report to the House that a good deal of progress has been made. I am not sure of the percentage of the $42

million that has been mentioned, but perhaps that will come out in the discussions.

* * *

POWER

JAMES BAY HYDROELECTRIC DEVELOPMENT—GOVERNMENT POSITION RESPECTING EFFECTS ON INDIANS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of Indian Affairs and Northern Development if he would make a statement at an early date indicating whether his department has considered the effects of the proposed James Bay project on the native peoples living in the area, what studies his department has conducted, and whether the project as contemplated by the province has the approval of the minister with regard to its effect on the native peoples?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I thank the hon. leader of the official opposition for his question. We are now looking into this problem. As I have already mentioned in the House, the Indians of the province of Quebec are negotiating with the Quebec government so as to reach a satisfactory settlement. I am following the situation very closely. We have already told the Indians that we would be willing to help them but up to now they have preferred to conduct their negotiation themselves.

[*English*]

JAMES BAY HYDROELECTRIC DEVELOPMENT—STUDY TO DETERMINE ACCEPTABILITY FROM ENVIRONMENTAL VIEWPOINT

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a supplementary question for the Minister of the Environment. In light of the admission yesterday by the Minister of Transport that the government will have to give prior approval to all dams built for the James Bay project, is the government now undertaking an environmental study to determine whether the project is acceptable from an environmental point of view?

Hon. Jack Davis (Minister of the Environment): Well, Mr. Speaker—

Mr. Jamieson: I rise on a point of order, if I may, Mr. Speaker. I am sure—

Mr. Speaker: Order, please. The Minister of Transport rises on a point of order.

An hon. Member: Too many points of order are being raised.

Mr. Jamieson: I simply wanted to clarify, for the House and the hon. gentleman, the statement made yesterday. If he looks at *Hansard* he will find that I did not say all dams will require approval under the Navigable Waters Protection Act.

[Mr. Jamieson.]

Mr. Nesbitt: I rise on a point of order, Mr. Speaker. I do not usually do this, but since the minister has raised the matter can he indicate to the House what dams or bridges he would not have to approve under the terms of the Navigable Waters Protection Act?

Mr. Speaker: Order, please. I would think that might be the kind of question the minister should answer by way of a statement on motions. The question period expired a few minutes ago but the hon. member for Churchill has a supplementary. He may ask his supplementary.

JAMES BAY HYDROELECTRIC DEVELOPMENT—DATE FOR SETTLEMENT BETWEEN QUEBEC GOVERNMENT AND INDIANS

Mr. Robert Simpson (Churchill): I have a supplementary question for the Minister of Indian Affairs and Northern Development. In view of the fact that the James Bay project seems to be progressing unhindered at the present time, is the minister prepared to set a date by which the Quebec government must come to an amicable settlement with the Indian people in order to be allowed to continue that project?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): It would be very difficult for me to give an exact date. However, I already said many times over the phone to the Quebec Prime Minister that the sooner the better. As I mentioned earlier the Indians are consulting the government now and when they ask me to intervene I will be pleased to do so.

[*English*]

GOVERMENT ORDERS

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 58—EXPEDITION OF PUBLIC SERVICES AFFECTING QUALITY OF LIFE

Mr. G. W. Baldwin (Peace River): I rise on a point of order, Mr. Speaker. It has been agreed among all parties that after the speech of the hon. member who is presenting the motion and the speech in reply of the government member, all speeches should be limited to 15 minutes. I am told there are many members on both sides who wish to speak, and this arrangement will give them more opportunity.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, it is true there has been agreement amongst those representating the parties, but it is also part of the agreement that no one request overtime.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

Mr. Speaker: It is agreed and so ordered.

• (1510)

[*Translation*]

Hon. Martial Asselin (Charlevoix) moved:

—That this House urges the government to expedite those public services which affect the quality of life so that entitlement to status and payment of benefits may be sooner established and paid, and in particular, in respect of unemployment insurance benefits, pension and assistance benefits, immigration and passport procedures, post office deliveries, and public service collective bargaining.

He said: Mr. Speaker, Standing Order 58 enables the opposition to introduce from time to time motions whereby it does not necessarily present only grievances, but also suggestions to the government.

From the beginning of the present session, Mr. Speaker, we have been surprised to see in this House the very defensive attitude of government members and the extent to which ministers apparently defending their policies readily flare up, turn red and often blast the opposition's attempts to be useful to them by practical suggestions liable to lead the government to efficient solution of problems now facing the people of Canada.

It can be wondered whether this is a symptom of the end of the present government, Mr. Speaker. Past experience has shown that when a government is always on the defensive—

An hon. Member: Like the Progressive Conservative party.

Mr. Asselin: —and refuses to fight, its hours are numbered.

Mr. Speaker, the present government is faced with the problems of unemployment and inflation which it has been unable to solve during its four years in office. The government, as I said earlier, is about to come before the people, asking for re-election.

For some time, we have seen the Prime Minister of Canada (Mr. Trudeau) roaming up and down the country—

An hon. Member: Like the Leader of the Opposition!

Mr. Asselin: —and trying to gauge voters' opinions on the themes that he should use in the next electoral campaign which in my opinion is to start soon.

Well, the Prime Minister can no longer say once more to the people that his objective is still to build a just society because this election slogan will never be accepted again by the Canadian people. What the government has done for the past four years is overwhelming evidence, I suggest, that never before have the citizens of this country suffered so much from blatant injustices that have so obviously affected their existence.

It would take too long to recite all the grievances that we could rightly state to demonstrate the correctness of this. To demonstrate the serious nature of those injustices, it would be enough to detail all the hardships and humiliations to which Canadians are subject because of the serious situation created not only by unemployment and cost of living increases but also by misunderstanding and carelessness from the government in improving public services to which the people are entitled.

For these reasons, the official opposition has felt that it had a duty to remind the government of certain truths and to insist that it deal with the urgent problems that we are now facing.

From the opening of this session, we have badgered the government and particularly the Minister of Labour (Mr. O'Connell) about the delay in paying unemployment insurance benefits to eligible persons.

Over Christmas and New Year holidays, members of all sides of this House have received scores of telephone calls and visits to their offices from people at grips with these problems and who were asking for a remedy.

Day after day since the beginning of this session, my colleagues of the official opposition as well as those from the other opposition parties have urged the Minister of Labour and his parliamentary assistant to come to the aid of these people who were in deep misery owing to the treatment they were getting under the unemployment insurance scheme.

Mr. Speaker, referring back to page 2586 of *Hansard,* we find that the hon. member for Oxford (Mr. Nesbitt) asked the minister for some explanation of the delays in the payment of unemployment insurance benefits.

We can also refer back to page 2484 of the same publication where we can read the always interesting comments made by the hon. member for Prince Edward-Hastings (Mr. Hees) who asked the minister to do something to improve operations at the Toronto unemployment insurance office.

Hon. members from all provinces have made similar requests. After approximately two months of sittings, we are still talking about this problem. In fact, several hon. members of the opposition have asked the parliamentary secretary today when this problem would be solved.

Mr. Speaker, as far as unemployment insurance offices are concerned, this government made an error in attempting to centralize those offices thereby eliminating existing regional offices. The taxpayers are the victims of this policy. Since unemployment insurance offices are located in the big cities—and here I am speaking about my own constituency—people cannot cover a distance of 200 or 300 miles to meet officials and discuss their claim with them.

The telephone lines are busy all day long so that in addition to his normal duties a member has to act as placement agent for the unemployment insurance officials who have been transferred to the big cities.

Mr. Speaker, the delay in unemployment insurance payments caused flagrant cases of injustice and reduced to dire poverty a countless number of eligible people. I know of distressing cases in my riding. For instance, many heads of families applied for benefits during two months. Most of them had four or five children to support and could not get money from any source other than unemployment insurance because they did not qualify for welfare allowances.

Even if the minister said that he made arrangements with social welfare offices in order to help those people in great need, the public servant takes weeks to complete the

means test and meanwhile, those people entitled to unemployment insurance benefits suffer.

Mr. Speaker, the government thinks it can erase all its mistakes by distributing millions of dollars to organizations and taxpayers, so it will be able to tell them at the next election: Gentlemen, vote for us, because we gave you this and that grant.

• (1520)

Now, Mr. Speaker, and this I say firmly and forcibly, central state paternalism is today outmoded; the Canadian population no longer accepts it. This government will be judged according to the manner in which public funds have been spent. The distribution of grants is not well planned. The Local Initiatives Program offers ample evidence and this applies also to economic development and Opportunities for Youth programs. We shall soon receive a report to the effect that the latter was not well planned. It was ill-conceived because the ministers acted hastily and the government got panicky on account of its inability to give a strong and profitable impetus to its economic policy.

Mr. Speaker, there are also other subjects on which we want to draw the government's attention. One is mentioned in our motion and it obviously has to do with the postal service.

In 1968, when this government took office, they said: The Post Office Department will go to a great economist, the hon. member for Duvernay (Mr. Kierans), who started out by turning everything upside down; he believed that the department ought to pay its way; he forgot the human factor. In his economic dissertations, he stated positively that the Post Office Department must bring in profits. That was his first mistake.

We all know, Mr. Speaker, that the Post Office is a public service that cannot bring in profits, it is impossible. It is a service which the public is entitled to because not only does the public pay taxes but it also pays for mailing letters and parcels. Therefore, it is a service to which the public is entitled.

Now, Mr. Speaker, after a few years under the direction of the hon. member for Duvernay, the Post Office fell into almost complete chaos. Grievances and requests kept pouring in from our constituents. They were asking us to intervene in the House in order to tell the minister to come back to common sense and to try for better planning. Then again, the former Postmaster General said: I will make a complete change. Mr. Speaker, this resulted in the closing of many local post offices which had served the taxpayers for years and represented for them essential services. All that was done, we were told, to save money.

In my constituency, some people have to walk four or five miles, morning and night, to get their mail. We told the minister about it. He replied: The post office has to be profitable! The postal rates were increased through legislation passed in the House.

And lately, Mr. Speaker, we have learned that another measure was being worked out by the Postmaster General (Mr. Côté).

My attention was drawn to the fact that notice has been given that the business hours of post offices located in small localities would be reduced shortly. At the present time, it is said that business hours will be reduced to 20 per week and wicket service provided 16 hours per week. And this will happen shortly, since the taxpayers have received notices to that effect.

I have already received many representations from municipal councils and public bodies opposing reduction of business hours in post offices. Does the minister want to repeat the mistake made by the Minister of Labour—centralize post offices in large centers?

Mr. Speaker, government services should be available to the poeple and the people should not have to look for them. This is a service that should be made available by the state to the taxpayers and I say to the minister that if he intends to centralize post offices in large centers, he is falling into the same trap as the Minister of Labour and the Canadian people will again have to foot the bill.

I meant to deal with immigration and passport procedures but I will let other colleagues take care of that.

Of course I should like to deal briefly with strikes in public services. Under the present administration, Mr. Speaker, there has been a major deterioration of relations between employees and employers. The settlement of union conflicts has been dragging out and in many cases without taking account of the taxpayers' ability to pay.

In that field, the government, particularly the President of the Treasury Council (Mr. Drury), were in total confusion because they never clearly defined the government's wage policy. In that field as in many others, they tried to solve problems in a haphazard way, without planning, without a clear policy, thus increasing tensions between the employer, which is the state, and the public service.

The union leaders, Mr. Speaker, knew about the weakness of the government in that field. Several strikes in the public sector had dealt a heavy blow to the stabilization of our economy. I am not here to excuse union leaders, for I deplore the fact that in many cases they acted irresponsibly. This country witnessed more strikes that ever, strikes that could have been prevented had a negotiation system been established, through which employers' and employees' representatives could have been brought together in a permanent way around the same table. Of course I would digress for a moment to point out the chaotic situation now prevailing in Quebec where 210,000 civil servants, hospital employees and teachers are about to go on strike on March 17. It is time for governments to suggest to our citizens efficient and workable solutions to prevent strikes in the public service.

Mr. Lachance: What are your solutions?

Mr. Asselin: I am coming to that because we do have solutions.

The ministers are repeatedly asking the opposition whether it has solutions to the government's problems. Yes indeed, Mr. Speaker, we have solutions. Quite often, it can be seen in the House—three ministers are now present—that the ministers do not listen. If at least they would read *Hansard*. They do not seem to read it since after four years they have not yet found the workable solutions suggested by the opposition.

Earlier today questions were asked to the Secretary of State (Mr. Pelletier) in connection with the CBC's striking NABET members. Those people have been laughing at the public for two months.

• (1530)

We know the public likes its special programs such as hockey games or popular series. On some Saturday nights when people were getting ready to view the hockey game on television we have seen NABET union members come to work for two minutes and then suddenly bring the broadcast to an end.

I suggest that union members have no right to laugh that way at the people of this country. We will have to find a means of avoiding strikes in public services. Some will say, but you would also have to take away the right to strike from employees in essential public services, but I do not think this would be the solution. If this Parliament has given public servants the right to strike it would be ill-advised to take it away from them through legislation because I believe in free association of union members who use their association as a means of pressure but with the proviso that these means of pressure be warranted. However, I suggest that this is not a solution to be considered.

We could, of course, talk about compulsory arbitration. Here again, this system has been tried in the past but failed to stop unions from striking, even illegally. We have often seen illegal strikes across the country; union members do not hesitate to leave their job and go on strike.

I am not a specialist in labour relations but I think it is imperative that we find a permanent conciliation mechanism that would keep employers and employees in constant communication so as to avoid strikes such as those which are disrupting public services.

The leader of the Progressive Conservative Party (Mr. Stanfield) has recently dealt in Toronto with this important question. He referred to the possibility of adopting a legislation similar to the Taft-Hartley Act providing for a period of 90 days during which union members would be compelled to go back to work while possibly resuming negotiations with their employer.

There is a host of systems we might put to the test, but it would be imperative for the government to devise a formula that would prohibit strikes, particularly in the essential public sectors. Actually, strikes are very costly to the Canadian economy and to union members themselves because it is they who, more often than not, have to foot the bill for the strike and not their union leaders.

As I have just said, Canadians are greatly concerned about the disastrous consequences of strikes on our economy and their financial repercussions on the family. Canadians will insist, at the next election, that all political parties take a clear and unequivocal position on this issue and we would be derelict in our responsibilities if we should allow the present situation in the public services to worsen by maintaining the status quo.

If I had enough time, I would have liked to deal with the question of passport delivery. It may be possible to say, in the light of the Geoffroy case, that order should be restored in this sector, and that the Secretary of State for External Affairs (Mr. Sharp) should establish another system to replace the present one. But I shall let other hon. members deal with this issue.

Mr. Speaker, may I say in closing that the whole system of social benefits paid to taxpayers by governments, both federal and provincial, must be totally revamped.

In many cases, especially with regard to social security, there is duplication and a considerable loss of public funds. The judisdiction in that field could be divided amongst the various levels of government.

The solution to the problem must not be administrative only. Naturally, the present government sticks out its chest and says: We have solved the problem of family allowances. It is not a solution, although I do congratulate the government for having dropped its arrogance toward Quebec and having shown itself a bit more flexible; these are only administrative arrangements that do not solve the problem.

To my mind, the jurisdictions amongst governments should go further than that. Our jurisdictions must be thought out anew to prevent payments from ratepayers who often pay the provincial and federal governments for those same services. To prevent duplication, things must be straightened out, Mr. Speaker, and we will achieve that objective,—of that I am convinced—by finding a new formula for federalism.

The report of the Committee on the Constitution, in preparation for two years, will be tabled in the House tomorrow. New formulas will be proposed. Obviously, some hon. members will present minority reports, but I insist on saying this: If Canadian unity is to be saved, Mr. Speaker, it will be necessary to seek a new form of Canadian federalism advocating greater decentralization of federal government powers to the benefit of the provinces, and it is simply on that condition that we will be able to say that we are endeavouring to safeguard the Canadian unity and that we will continue to do so.

[*English*]

Mr. David Orlikow (Winnipeg North): Mr. Speaker, it is ironic that under the guidance of a government which was elected largely on the promise that it would bring about a just society, and of a Minister of Labour who has spoken so often and so honestly about his desire to protect the rights of ordinary citizens, we should today be debating a system which has created incredible hardship for tens of thousands of Canadians who find themselves unemployed through no fault of their own and must depend on unemployment insurance payments to provide the necessities of life.

Let me digress for a moment to say that the position of the government has not been helped by the strident partisanship of the Parliamentary Secretary to the Minister of Manpower and Immigration (Mr. Perrault) who has rejected the claims of members of parliament, who has virtually branded as untrue articles by newspaper columnists in almost every newspaper in Canada, both Liberal and Conservative, which have outlined the plight of those who are unemployed and who have not been able to get unemployment insurance, and has denied that there is much loan-sharking going on, one of the most despicable

methods I have ever seen of depriving people of their basic necessities.

Before I go into some of the difficulties which I and other members of parliament have encountered through phone calls and letters from our constituents and calls from newspaper and radio commentators, I want to make it clear that I do not lay the blame mainly on the Unemployment Insurance Commission, on the employees of the commission, many of whom are working long hours of overtime to try to meet the needs and difficulties which are brought to their attention.

The main responsibility for the mess we are in has to be placed on the government, because when the Unemployment Insurance Act was changed the government wanted to improve the benefits people would receive while they were unemployed, but they wanted to do it on the cheap and in order to save money they decided to incorporate in the new act certain provisions which have created most of the difficulties about which people are complaining. First, the waiting period, which was a week before a person could qualify for unemployment insurance benefits, was increased to two weeks. Members of my party who were on the committee which dealt with the bill in detail warned that this would create a great deal of difficulty. Those warnings were ignored and rejected by the government. There is provision in the bill that before a person qualifies for benefits he must use up any statutory holidays pay which he has accumulated. For some people, such as construction workers, this can amount to $600 or $800, a substantial sum of money. Averaged out at $100 a week, a person can wait eight weeks or more before qualifying for unemployment insurance benefits.

• (1540)

I am sure there is not one member of this House on the opposition side or on the government side who has not had daily telephone calls or letters from constituents who have had to wait 8, 10, 12 or 14 weeks before receiving benefits. And this despite the vehement denials of the parliamentary secretary that such is not the case. There is not one member who has not been told of cases where benefits have stopped without explanation. Although very often there is an explanation, because of the complexities of the act the employees of the Unemployment Insurance Commission do not know what the explanation is.

Let me give the House an illustration of what I mean. One of my constituents called me during the Christmas recess. Her husband had had a heart attack in the middle of 1971 and under the provisions of the act he was entitled to receive unemployment insurance benefits. He did receive those benefits for a number of weeks until suddenly, without any notice or explanation, the benefits ceased. This lady told me that since her husband was not well enough to go to the unemployment insurance office, she telephoned the office several times. Usually when one phones the unemployment insurance office one gets the busy signal, but after repeated calls she finally got somebody on the line but could not get an explanation of why her husband's benefits had ceased. She was told she could not know the employee's name so she could not check further into the matter.

[Mr. Orlikow.]

She went down to the office and stood in line for several hours until it was her turn to speak to someone. Even then the office could not give her an explanation, so she called me. I had the advantage of the special telephone number that is available to members of parliament and I called the office. May I just digress for a moment to say to the Parliamentary Secretary to the Minister of Manpower and Immigration, who is not here today, that the very fact that there is a special telephone number for members of parliament is an indication of the number of calls that must be made by ordinary claimants. If there were not so many calls and the lines were not so busy for most of the time, there would be no need to give members of parliament and members of the legislatures a special number.

I want to make it clear that the employees handling inquiries made by Members of Parliament at the Winnipeg office are very co-operative, as I am sure they are in most offices. After I had made my inquiry and the clerk had looked into it, she called me back to say that there was a very simple explanation why the benefits had ceased. Under the provisions of the act, a person who falls ill and draws unemployment insurance benefits is entitled to receive benefits for only 15 weeks. If that is the case, then it seems to me it would be a very simple matter to attach to the last cheque mailed to a person receiving benefits under this provision a notice explaining that this was their last cheque since the act only provided payments for 15 weeks. I cannot understand why such a policy is not followed. Neither do I understand why those who work for the Unemployment Insurance Commission do not know the provisions of the act so they can explain to people what is going on. Obviously, the complexity of the act is such that the staff simply do not know its provisions.

Another major problem has arisen as a result of the decision of the Unemployment Insurance Commission, I am certain with the agreement and approval of the government, to computerize the whole operation. I had occasion to talk to one of the top officials in the Department of National Health and Welfare recently who was very intimately involved in the family allowance program. He told me that when it was decided to shift the payment of family allowance cheques to a computer operation, for a number of months until they were certain that the "bugs" in the system had been ironed out duplicate systems were run, the old system under which things were done manually as well as the computerized system. Not so with the Unemployment Insurance Commission; they went straight to a computer operation.

I suppose I have to take the word of the parliamentary secretary that 97 per cent or 98 per cent of the people who file a claim for unemployment insurance benefits have the claim settled and receive payment without difficulty. I shall come back in a moment to the length of time it takes to make these payments, but the usual answer of the government in this regard is to quote statistics. If 3 per cent of the people applying for unemployment insurance run into problems and there are 500,000 or 600,000 applicants for benefits, then we are talking about tens of thousands of people who are having difficulty. This is the real problem we are facing.

In the old days before computerization—which may be more efficient for the large mass of the people—if one had a problem one could make an inquiry and find out what was happening. But today if the computer makes a mistake or somebody fills out a form wrongly, the delay can run into weeks or months. People have to wait anywhere from 8 to 13 weeks. What does this mean to the ordinary citizen, particularly the citizen in the lower income bracket? It means that if he has been unable to save any money there is only one place to go.

The parliamentary secretary tried to create the impression that arrangements have been made with the provinces and municipalities to give these people emergency welfare which they can repay when they get their unemployment insurance cheques. I have checked with the province of Manitoba and no such agreement has been made. I understand that where agreements have been made, no publicity has been given to such agreements either by the Unemployment Insurance Commission or by the province concerned. The result is that people in need are being forced to go to loan-sharks to get money with which to buy food.

The parliamentary secretary at first tried to pooh-pooh the suggestion that this was going on. In the city of Winnipeg there are at least two agencies that advertise regularly every day that if these people need money all they need do is bring their unemployment insurance cards and they will get it. The fact they discount the claim by something in the neighbourhood of 200 to 300 per cent interest does not seem to interest the Parliamentary Secretary to the Minister of Manpower and Immigration. Obviously, he is not in need of money to pay his next week's grocery bill.

• (1550)

This disaster which was created first of all by the deliberate action of this government when it amended the Unemployment Insurance Act to extend the benefits but to keep the amount of money which is paid out within the same range as before, has befallen tens of thousands of people in Canada. The administrative mess for which one can blame the government, the minister and the top officers of the Unemployment Insurance Commission has created a blot on our society of which every citizen and certainly every member of parliament should be ashamed.

We have been told again and again that steps have been taken at this late to clean up the mess. I believe that the minister—I believe him a good deal more than I believe his parliamentary secretary—is sincere when he says that he has ordered that steps be taken to clean up the mess. I hope it will not be very long before people who are unfortunate enough to be unemployed, a large percentage of them because of the deliberate policies regarding economic growth put into effect by this Liberal government, will get the benefits to which they are entitled. These people are entitled to unemployment insurance benefits. They have paid their unemployment insurance dues for years and are now in need of the benefits.

I hope that when the minister answers some of the complaints which have been made both inside and outside parliament he will take a much more realistic and humane attitude, one which will show some sympathy and concern for the people who are unfortunate enough to be caught in this terrible tragedy. I hope that his attitude will be much more sympathetic than the one demonstrated by the parliamentary secretary in his statements during the last couple of weeks.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, it is my duty to speak to the motion introduced today and which in short blames the government for being slow in administering its various programs.

Mr. Speaker, even if that non-confidence motion deals with part of the problem, I feel that it rather restricts that criticism and that it does not truly tackle the problems affecting the Canadian people.

Mr. Speaker, I would like to make some brief comments. This government as the previous ones at first passed a great number of bills, each one encroaching a little more upon the freedom of the individual or the citizen, while driving him a little more in a state of financial insecurity.

I would now like to discuss the second point, that is the fact that the citizen becomes more and more dependent upon the state, which is more powerful than ever.

I will conclude my remarks with some very definite examples. Finally, Mr. Speaker, in view of this great number of social projects and programs, bureaucracy has reached such proportions in Canada that it now manages the country instead of Parliament and the government. This bureaucracy is such that it not only controls the departments and the government, but stifles the people with all sorts of programs and harasses them with repeated inquiries which tend generally to downgrade the individual.

Mr. Speaker, as members of this House, we have a choice to make in 1972. Should we continue to support a policy which is responsible for depriving the individual bit by bit of its freedom while subjecting him to more insecurity—I refer to the measures which are submitted to us in Ottawa, in Quebec or elsewhere, aimed at slowly implanting socialism—or should we adopt a policy which tends not to discourage personal initiative, but on the contrary, to motivate the individual and enable him to assume his proper place in our country?

Here is a particular example, Mr. Speaker. To obtain their votes, students are promised scholarships which are insufficient as well as discriminatory since they are not granted generally.

Mr. Speaker, this scolarship system which is protected and established by federal and provincial governments directly discourages the individual in our society. This can be readily understood.

Let us consider a young student who works all summer and applies for a scholarship. Let us forget, for a moment, his father's salary or his family's income. If that student has worked all summer to help himself, he will not be eligible for a government's scholarship. He would receive a letter simply stating that: In view of your summer income, we are unable hereafter, in accordance with the scholarship program for students to grant you the financial aid you require.

Why? Because he has worked, because he wanted to help himself, because he wanted to assume responsibility for his own future, because he wanted to keep busy instead of wasting his summer doing nothing. That one is not encouraged.

The student who failed to find a job, who was not able to work for pay during the summer, will apply for a scholarship and will get one, Mr. Speaker, taking into account, always, his parents' income.

Then, the authorities will say to the young: Get on the bandwagon, help us to build this country!

Mr. Speaker, that is a very definite example, that we are now experiencing, which shows that this particular policy with regard to scholarships has the direct effect of discouraging the young from helping to build their country. One prefers to have them doing nothing during the summer and to help them through welfare payments when they attend school—scholarships amount to that more or less—and to make of them human wrecks who no longer have the heart to put up a fight.

Let us consider unemployment for instance. It is obvious that the Unemployment Insurance Act is in itself, outside of the economic and social context, excellent. It is obvious that it provides for the payment of benefits up to $100 a week, thus assuring some security to the unemployed.

But if I go further back into this legislation and if I put it in the economic and social context in which we live, I can say straight out that we have reached a stage in Canada where it pays more to be unemployed than to work. We are now at the point where unemployment competes directly with work. It is surely not a measure meant to encourage the individual to take responsibilities, to participate in the building of his country.

• (1600)

Mr. Speaker, a man is ahead in Canada if he works during seven or eight months of the year and draws unemployment insurance and welfare benefits during the other four months instead of working all year long. And while that man is living off the fat of the land, because the ever more powerful government has convinced him that it is better that way, most Canadians are going to work for the government.

What about the old age security pension? They give something, but just enough to disgust the people. From 60 to 65 they cannot work any more, or most of those people have lost their job. Furthermore the amount they get is unsufficient.

More cynical than ever the government grants them a monthly increase of 42 cents. Patent proof that even that program is unsufficient and does nothing more than keeping the recipient near the poverty level. That is the way our Canadian citizens are rewarded.

I shall quote another example to show how far from the individual we are in our socialization system. Some farms in the past could provide a living to even ten generations, not small but large families, of which our people were proud. Now, farming cannot provide a living for the farmer. The government said: We will organize production. It said to the various producers: Improve your land,

your equipment, your buildings, your herds. The farmers replied: But, we have no money. Again the government came up with this: There is no problem, we will finance you. That is how the federal and provincial farm credit organizations were established. All farmers took advantage of them. And at that time, the government was already beginning to subdue people who until then had led an independent life. They turned to farm loans, which were good in themselves, but very bad on the whole.

And the governments thought: We are controlling his production now let us control his income. This is how the Canadian Wheat Board and the Canadian Dairy Commission were invented and quotas imposed. When a farmer does not fill his quota, fair enough, he gets a grant from the government. He becomes a civil servant.

But when the farmer exceeds his quota not only does he not get any help from the government but he is fined for having worked too much. He must pay a fine for having got up too early to defend himself in his own country.

What are the results, Mr. Speaker. The radio and the newspapers advertise auctions: Auction for Mr. X in Township Y, auction of Mr. Z. in Township W, and so on. Farms are deserted. What is done about it? The social-oriented government has foreseen everything and says to the farmers: Move to the cities, desert your farms, the government will take them over; come to the cities and you will attend training courses.

The farmer attends those courses and wakes up unemployed. It is not better than before. He finds himself with useless diplomas and ends up on welfare.

This is quite serious. And yet in connection with the delayed employment cheques, what did the government do? Instead of dealing with this problem, on January 26 the minister sent a letter to all the unemployed whose cheques were delayed telling them to go to the nearest welfare office to secure a loan and that after they got their benefits they would be able to endorse their cheques and refund the welfare office.

The worker, who used to be independent, has gone unemployed because of the stifling and omnipotent government bureaucracy. The individual eligible for unemployment benefits does not get his cheques, so he must borrow welfare money and sign an IOU; and when the government finally decides to send him his unemployment cheque, he must first refund his debt to welfare. This is when he becomes totally dependent because while waiting for his cheques he has used up his savings.

So there is another welfare system that is becoming permanent, there is another Canadian in the majority that the minority will have to serve from now on. We have come to a point in this country where more and more people depend less and less on others for their living. Fewer and fewer people are earning a living for the majority.

That is what we have come to, Mr. Speaker. That is why the governments, grits on tories, that have been following one another for many years in Canada, kept on increasing taxes everytime they came back to power and everytime, Mr. Speaker, they introduce other socializing measures which are responsible for decreasing individual liberty and creating a growing feeling of insecurity.

The result is greater dependence from one year to the next on the state, and finally, the government must spend more and more for its administration, since the social security programs have reached the point where they cost a fortune. Why? Because the administration of such programs, the salaries of bureaucrats cost more and more and absorb the majority of the funds voted by Parliament for such programs.

As I said, we must make a choice, namely keep on supporting socializing measures that limit individual initiative or measures which not only would not discourage the individual, but would help him to help himself.

Mr. Speaker, what are the governments waiting for, what do they want? To make Canadians more and more dependent or to enable each citizen to live his own destiny, in freedom and security?

Mr. Speaker, some very funny government members will perhaps tell me that Social Credit is utopia. I will tell them that their system has reached such a point that our citizens are being turned into slaves.

Industries are closing down. They have developed, Mr. Speaker—and that underlines the ridiculous aspect of the system—a craze for creating jobs. They grant millions of dollars to industries. This is a form of social welfare. Why? To create jobs. However, the Minister of Finance (Mr. Turner) says: Production is too high, we must control it.

On one hand, jobs are created to increase production and, on the other, Canadians are being told: Tighten your belts because production is too high. And all the time, while poverty is rampant in western Canada because of too much wheat, while poverty is rampant in Quebec and the Maritimes because there is too much of everything, three Canadian families out of five live in poverty, according to the Special Senate Committee on Poverty.

Mr. Speaker, in order to allow each Canadian to have his share of the wealth of this country, we must support with all our energy any policy devised to encourage the initiative of the individual and to make him independent from governments for his living, devised to encourage the initiative of the citizen who is anxious to get out of it by himself.

And with this I bring my remarks to a close, Mr. Speaker. I am convinced that if governments gave Canadians a chance to build their country instead of discouraging them, they would build their country.

[*English*]

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, I have listened to the comments of hon. gentlemen opposite and I wish to thank them for some of the suggestions which have been made. The mover of the motion spoke a good deal about the quality of life and its relationship to public services, and suggested that the momentum of the government with regard to creating a just society has been subsiding. I wish to assure him that the only thing that has been subsiding is the currency of the phrase and not the thrust of the government's dedication to that concept.

There is no question that injustices remain in Canada. In fact, their very existence is what caused the Prime Minister (Mr. Trudeau) and this government to launch a determined attack on injustices wherever they exist. There is no question that one of the greatest of those is unemployment. I should like to make a few comments on that matter and to areas where we on this side, and I am sure hon. members opposite, recognize that progress is being made. The Parliamentary Secretary to the Minister of Manpower and Immigration (Mr. Perrault) will speak more specifically on some of the points raised with respect to unemployment insurance.

• (1610)

I begin, Mr. Speaker, by simply saying that we see unemployment, not in terms of the statistics which are so often passed back and forth across this House but in terms of its social and human dimensions, which is the only true way to see it. While there are now some encouraging statistics emerging, I would like to draw attention to the larger framework in which policies are being developed, some quite innovative policies, because if we see some of that larger problem we can appreciate the magnitude of the problem in Canada which we are resolving.

First let us consider the Economic Council of Canada's fourth annual report. We were told there, on the basis of the data that I think is uncontrovertible, that in the 15-year period beginning in 1965 and ending in 1980—we all recognize that we are over one-third of the way into that period—the Canadian labour force, the people who want to work, who consider themselves employable, will grow by 50 per cent. This is a growth rate that is entirely unique in the western world. I do not say this in seeking any kind of excuse but only to lay in front of all of us the challenge and opportunity which we have. How can this be compared with the problems of many other western countries? The United States labour force is to grow by 30 per cent, against our 50 per cent. What is the rate in the United Kingdom? It is 4½ per cent in the same 15 years. What is it in Sweden? It is a zero growth rate. What is it in France? There it is 13½ per cent. Mr. Speaker, I am quoting these figures from memory but I think they are accurate.

In Germany the predicted growth rate of the labour force in this period is 5½ per cent. In Italy the predicted rate is 2½ per cent. In Canada, I repeat, it is 50 per cent. This is an historic, non-recurring opportunity and challenge for us because if we can get an economy that will put those people to work—and they are mostly young people, relatively well educated—we will have in this country an economic base for a more just society and those greater opportunities that we all want in areas other than the economic area.

What is this rate in real terms? In real terms the challenge is quite staggering. We will be adding three million people to the labour force in that 15-year period. In the first five-year period one million new jobs were created in Canada. We appear to be on track but not quite. The three million people who will come into the Canadian labour force will equal the absolute additions of people to the labour forces of Great Britain, West Germany and Italy combined, in that period. On our population base of 20 million people we have to find as many new jobs as those three countries combined. That is a very significant challenge. When we talk about unemployment figures in

Canada and compare them with other countries, I think we have to appreciate that we have a historically unique situation.

In the first five years of the period about which the Economic Council advised us, the one million new jobs created in Canada equalled the new jobs created in seven European countries—Great Britain, France, West Germany, Italy, Belgium and a couple of others that I just do not recall at the moment. So there has been some progress down that road. Mr. Speaker, I do not intend to linger in making that kind of recital to the House but I do want to draw it to the attention of hon. members. We have in this country, as I see it, such a challenge that we could not rely on the normal fiscal and monetary measures that are employed in other countries. What does it really mean in Great Britain if they use anti-inflationary policies to control an inflationary period? There is no pressure upward on their labour force. Their unemployment does not mount as it does in Canada. What does it mean in France? It means the same thing.

What does it mean in Canada? It means that if we employed the standard techniques which have been developed since the great depression, the Keynesian techniques, and applied them here, confronted as we are with this pressure of entrants into the labour force unemployment will be bound to rise to perverse levels which none of us would want to tolerate. Therefore we have limitations in the use of the standard tools.

What has the government been doing to cope with this quite unique Canadian problem? I want to mention a few of the measures we have adopted. The DREE program is too well known for me to go into it here, but it is a determined effort to find new formulas, new approaches to bring economic expansion into the slow-growth regions where much unemployment exists. Some will say that it has not fully succeeded. Some will say it has not done much more than prevent a widening of the gap. But we all know, if we want to be honest with ourselves, that if we look at this problem internationally the wealthy nations are still pulling ahead of the undeveloped nations in spite of transfer payments, transfer programs and aid programs. We see that the more advantaged regions are still pulling ahead of the disadvantaged regions. We are launched on a very major program to redress some of the regional imbalances and I think there are some successes that ought to be acknowledged.

What else has the government done? There are the two experimental programs which have been launched to consider the human and the social side of unemployment in Canada. These are the Opportunities for Youth program and the Local Initiatives Program. They are innovative. What do they really mean in terms of this larger context? Surely they mean that if we cannot make use of the standard tools without incurring on the one hand undue unemployment and on the other hand excessive inflation, then we see we have in this unique period a unique system that will cope with only so much and in a sense we have to go out beyond that system with innovative programs.

With the two programs that have been successful, judging by the appeals coming to me as acting minister of manpower and immigration to the effect, "Please approve more of these projects," and the agonizing response I must make that the funds have now been allotted, our approach is to go to the people themselves and say, "Rather than delivering more programs from government, and we recognize their limitations, we will put resources in your hands." We say to the people, "Look at your communities. See how you can improve your communities and employ yourselves, or devise projects that will employ persons now unemployed." As all members of parliament know, we have found that the response has been overwhelming, that persons have displayed new energies. They have defined problems and opportunities in their communities. They have found work for people. This is the government that recognizing a unique employment problem took steps to put funds in the hands of local people who had initiative and were ready to go into action. Some of the results have been very dramatic not only in terms of community betterment but in terms of individual opportunities.

• (1620)

Some hon. Members: Hear, hear!

Mr. O'Connell: Mr. Speaker, we expect that in the private initiatives area and the municipal initiatives area the LIP program will provide temporary employment for 92,000 persons. The Opportunities for Youth program is again initiated for the summer and will find employment for 30,000 students. Additional summer programs in various areas, the militia for example, National Health and Welfare and travel and exchange programs will provide further opportunities. These are innovative approaches in the search for the just society. You may say that the phrase has been worn out, but the concept is there and the action is there. I have mentioned two or three instances of it.

There are some people working in Canada this winter who perhaps for a decade have not worked during the winter. People in isolated communities are working during the winter when previously the only persons to work would have been the postmaster and the grocery store proprietor. Those are the kinds of concern that this government has for unemployed persons, persons who find themselves seasonally disadvantaged. We are saying to these people, "We will reach across that gulf of injustice you have suffered over the years. We will put resources in your hands. We will trust you to generate projects to better your community." In that kind of partnership we will find employment and a new path toward the just society which is as alive in the concerns of this government as it has ever been.

Some hon. Members: Hear, hear!

Mr. O'Connell: Mr. Speaker, there are in Canada people who are disadvantaged in another sense than seasonal. I have mentioned the special efforts made to cope with the seasonal problem of students, the one million or so who join the labour force every summer. There are special measures to deal with that seasonal problem and the seasonal problem which comes in the wintertime. But there are persons who are permanently disadvantaged, the native people, the poor, and there are new kinds of programs in existance and new programs to come which I hope will be available in this session.

The mover of the motion mentioned the quality of life. I should like to digress a little from the major concern that we all have in the area of unemployment and mention a few areas where the quality of life has been dramatically improved and new thresholds have been reached. Let us consider national parks where the Canadian public has a proper, new level of concern for the environment as it will affect future generations. In this government's four years of office our national parks have increased from 18 to 28.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): That is not an answer.

Mr. O'Connell: That is a 50 per cent increase. The hon. gentleman says that is nothing—

Mr. Lambert (Edmonton West): I said that is not an answer to the motion.

Mr. O'Connell: This is right on the motion, Mr. Speaker. I challenge the hon. member to deny that the motion is about the quality of life.

Mr. Lambert (Edmonton West): That is not UIC; it is not the quality of life.

Mr. O'Connell: It is service to the people of Canada down through the future. There is a 50 per cent increase in the area set aside in perpetuity for national parks.

Mr. Lambert (Edmonton West): On Baffin Island, the Northwest Territories, the Yukon.

Mr. O'Connell: Canada leads all countries in the world in land set aside for future generations. These parks are in every province and in the territories; they are in all regions.

What about the Great Lakes and the treaty we hope to make with the United States to service all Canadians in terms of the quality of life? I think this is an answer to the motion before us. Already the government of Canada and the province of Ontario have an agreement with respect to the Canadian contribution to the clean-up of the Great Lakes so that future generations may benefit and that the Canadian economy and society as it is built around that Great Lakes system may benefit in perpetuity from that magnificent body of water. We expect to spend on that project something like $150 million in a very short period of time. This is for the just society. This justice, in terms of quality of life, has something more behind it than talk.

I mentioned earlier the concern for regional justice and the quality of life in regions of Canada that have been designated for special programs. The government has a very special interest in the development of the economy and social conditions in western Canada. To many people western Canada has been seen as an agricultural base and more recently as an energy base. I do not think that does full justice to the possibilities, the potential and the aspirations of the people of western Canada. In our search for an improved quality of life and justice this government intends in its industrial strategy, which hopefully will soon be announced in greater particular, to open up opportunities for industrial development. The industrialization which has been available to central Canada and increasingly is the concern of Atlantic development strategy will be available in western Canada.

One sees some evidence of this already in the establishment of the head office of the Canadian Development Corporation on the west coast. Already one sees the beginning of that new economic justice for western Canada in the interests of the Pacific rim countries, in the concern to develop trade relations with China, the Soviet Union, the Pacific countries and Japan to open up resources to a processing and manufacturing phase of advanced technology. A good deal of the forward trend in a new industrial strategy for this country will be toward developing higher levels of economic activity in the west. It is in a sense a decentralization of industrial activity in the search for the just society in terms of quality of life and national unity.

Some hon. Members: Hear, hear!

Mr. O'Connell: Mr. Speaker, there is another point which I should like to mention. It is the contribution being made by the middle-income people of Canada to this thrust into a more just society, into higher orders of justice and into the area of the quality of life.

An hon. Member: They are carrying the load.

Mr. O'Connell: In the early stages, the first elements of a search for a more just society must always be for those who are most disadvantaged, those who have to catch up. One must begin by putting resources in their hands and by seeing that there is justice in their conditions of life. I shall not go into the various measures that have been adopted, other than to mention the tax reform proposals and the tax reform legislation. However, if we want to be honest with ourselves we know that in the last three years this government has assisted more people of low income into more housing units than were available at any time in the past.

Mr. Alexander: After much prompting.

• (1630)

Mr. O'Connell: May I also mention the FISP program. We must also consider family allowances and the income support program which the minister brought before the House for the first time this afternoon. Major efforts are being made in this country to improve the lot of lower income persons. The greater part of the burden created by any redistribution of that type has been carried by the middle-income groups in Canada. We recognize their willingness to accept that burden as well as the extreme strains that have become evident as the challenge is being met. We ought to be aware of the size of the burden being carried by middle-income Canadians who are helping us in this unique period of our history to attain a higher order of social justice.

Let me now turn to another subject. The Canadian labour force, despite being the most rapidly growing labour force in the world is almost the smallest in proportion to total population. We do not remember that too often. Our work force, if measured as a percentage of total population, is smaller than that of any western industrialized country. So rapidly is it growing that there

will soon be a change in this proportion. Nevertheless, those are the facts. Five years ago the work force was much smaller than it is now. What has that work force been trying to do? Here we have an earning stream and there we have an income stream. This relatively small group of people who make up our work force have been educated in an expensive educational system. It is expensive because we wanted the best, the very largest flow of young people making up the population, on a proportional basis, of any country in the western world. They are now being educated at the most expensive level, the post-secondary level. That contribution and that burden we must recognize.

Secondly, this relatively small work force is supporting a relatively highly developed social security system and retirement system for persons over 65. I will not say it is the best in the world; others have said that and perhaps it is. We know that it is a substantial and good retirement program. The social security program is also substantial. The burden of carrying these programs rests on our relatively small work force. In time the distribution of that burden will be corrected. I wanted to remind hon. members that middle-income people of this country have played a large part in bearing the heavy burden which Canadians must bear. I trust that they can continue to bear the weight involved in some of these changes and unique challenges that face Canada.

The government is making determined efforts, partly through its industrial strategy, to so enlarge economic opportunities that all, including those performing professional, academic, managerial and other skilled tasks will be rewarded with an expanding future. At present middle-income citizens are carrying a great burden. However, as new people enter the work force the weight of that burden will be spread ever more evenly and borne by more people.

I do not want to say much more, Mr. Speaker. I merely want to remind hon. members that we are going through an exceptional period in Canada's social development. It is exceptional particularly in terms of the numbers who in this country are available for employment. To provide employment opportunities, of course, is a top priority of the government. The government recognizes that the traditional methods of bringing about employment opportunities and therefore an improved quality of life must be changed. It has launched new programs and is evaluating them to assure the country that they are not stopgap efforts but, rather, are the beginnings of major efforts to cope with this unique situation. Having said that, I say to the mover of the motion that no momentum is lost through this thrust. Perhaps all we shall lose is a little currency. The action is there, if I may use that phrase, and will increase.

Mr. Knowles (Winnipeg North Centre): That is a nice choice of words, a beautiful vocabulary.

Mr. William Knowles (Norfolk-Haldimand): Mr. Speaker, before speaking to the motion may I say a word or two about the speech of the Minister of Labour (Mr. O'Connell). He suggested that the Economic Council of Canada forecast that 50 per cent more persons will be entering our labour force in 15 years. That is true and we are aware of it. I say, then, was it not utter folly on the part of the government to adopt a policy which would create unemployment? Was it not foolish to adopt such a policy as its number one weapon in fighting inflation?

[Mr. O'Connell.]

Some hon. Members: Hear, hear!

Mr. Knowles (Norfolk-Haldimand): I want to address myself in particular to these words of the motion: "payment of benefits may be sooner established and paid, and in particular, in respect of unemployment insurance benefits, pension and assistance benefits." I wish to touch on three major aspects involving the Unemployment Insurance Commission, the administration of the program for which the commission is responsible, veterans' pensions and benefits paid under the Canada Pension Plan. I should first like to deal with the program of the Unemployment Insurance Commission.

There has been much repetition in this debate and hon. members have raised the same problems about which I intend to speak. Unravelling the problems of people trying to get unemployment insurance benefits takes far too much of the time of members of this House no matter where they sit.

Some hon. Members: Hear, hear!

Mr. Knowles (Norfolk-Haldimand): Some members have hired extra help to handle nothing but unemployment insurance claims. I represent a rural area where you would not expect such difficulties, yet hardly a day goes by when I receive no calls for assistance. Sometimes I receive 15 requests for assistance in a day and rarely are there fewer than three of four such requests. As I say, these calls come from a rural area. While criticizing the Unemployment Insurance Commission's over-all program, let me pay tribute to the excellent service that officials in regional offices have rendered to members of parliament. My area is served by Hamilton and the people in that office have been co-operative in trying to solve the problems of my constituents.

Mr. Alexander: How true.

Mr. Knowles (Norfolk-Haldimand): The terrible thing is that some individuals who seek redress from the commission cannot get the time of day from some offices. I talked to a man who tried to telephone the Hamilton unemployment insurance office for six hours. He timed his calls. Finally he called the operator and asked if the office telephone was out of order. She said no, it was not. The only thing left for him was to call his member of parliament.

The delays in putting cheques into the hands of the unemployed are bringing serious consequences to local municipalities. One such serious consequence is the increase in municipal welfare costs. When I met welfare officers of Norfolk county they said that this was a common problem. They told me that they were being asked to make welfare payments to those who were not able to get their unemployment insurance cheques. When the cheques eventually arrive the recipients are paid twice, so to speak, once from the Unemployment Insurance Commission and once from welfare funds.

Mr. Alexander: And that is the just society!

• (1640)

Mr. Knowles (Norfolk-Haldimand): According to the minister there is supposed to be some means of assigning cheques to municipal welfare departments so that this duplication of payment will not occur. According to the minister, this system is in effect. Before rising to speak I called the welfare officer in the town of Delhi. He assured me there is no means at his disposal to assign unemployment insurance cheques. As this program is in effect it is time the minister and his officials made known the means by which the assignment may be made.

The situation is further aggravated by the two-week waiting period. Today, most people have a hand-to-mouth existence. In this welfare state we rarely find people who lay aside money for a rainy day; therefore, any interruption in their earnings represents a hardship. In committee we suggested that the waiting period be reduced from two weeks to one week in order to avoid this hardship; the report of the Standing Committee on Labour, Manpower and Immigration will show that we moved an amendment to this effect, which was voted down.

To summarize, I have been highly critical of the Unemployment Insurance Commission and I wish to make some positive suggestions as to how it might be improved. First, regional offices should be decentralized and sub-offices established with proper facilities to process claims and service recipients.

Some hon. Members: Hear, hear!

Mr. Knowles (Norfolk-Haldimand): Originally, each unemployment insurance office was a more or less self-contained unit which processed and paid all claims. After a series of changes a new system is coming into force whereby there is a division into three main types of office. There is a parent office, full-time offices and itinerant offices. The parent office has complete files on all claimants. It processes claims. The full-time office usually has staff for benefit control, to check frauds and the like as well as looking into inquiries. The itinerant offices have on staff just one person for all or part of the day or week and he is only responsible for handling inquiries. These offices simply cannot satisfy the demands of claimants.

Surely, efficiency should be the prime concern of the Unemployment Insurance Commission and service to people should be a priority. The program has been decentralized. Cheques are processed by a computer and cheque-writing machine at Belleville. This system was supposed to be efficient but it does not provide good service. Surely, this should be their main concern.

Some hon. Members: Hear, hear!

Mr. Knowles (Norfolk-Haldimand): Another positive suggestion is one which I have already mentioned, reducing the waiting period. The minister said that cannot be done because it will cost an additional $180 million. However, data from July through to November indicates that it would cost only an additional $10 million for that period. Recently it has been very difficult to obtain sufficient data from the Unemployment Insurance Commission to make an unbiased calculation of what the increased cost might be. I challenge the minister to produce figures which indicate that a one-week waiting period will cost the large additional amount that he mentioned.

The third suggestion I make to the department is that there be closer liaison with municipal welfare officers, including cheque-assigning procedures. It is up to the Unemployment Insurance Commission to make available the information and procedures by which this can be done. My fourth suggestion is that there should be an independent consulting agency to make a study of the efficiency of the Unemployment Insurance Commission's procedures. It seems they have set this system up on their own. They claim it is efficient but the results prove otherwise. Independent advice should be sought. Also, the regional offices should be given authority to write cheques when recipients have been unduly deprived of their benefits, rather than having the long procedure of going through Belleville.

I now wish to make a few suggestions with regard to pensions and benefits to veterans. As a member of the Standing Committee on Veterans Affairs I feel obligated to draw the government's attention to some of the difficulties and hardships being experienced by our veterans. Difficulties were experienced when we changed the method of paying war veterans allowances or, as our veterans call it, the burned-out pension. They consider it a form of pension although it is really a form of welfare. Let's face it, it helps the person who is down and out, although the veteran does not think of it in that way. He thinks it gives him special status, and it does. He is being recognized for his service in defending this country.

Veterans resent the reduction in the war veterans allowance. They now receive old age security, the guaranteed income supplement and the war veterans allowance. That is unnecessary and demeaning to those who served our country well in times of danger. There are difficulties as a result of this change. The war veterans allowance was non-taxable. Under the new plan, the old age security pension and guaranteed income supplement are subject to income tax. Veterans are now forced to pay income tax on an amount that was formerly free of tax.

Also, there is the deeming principle which was very difficult to get across to our older veterans. If a veteran 65 years of age did not apply for and receive the old age security, he was deemed to be receiving it and his war veterans allowance was cut accordingly. After we got this straightened out and he finally received the back payments of old age security and guaranteed income supplement in a lump sum, the veteran was above the ceiling for war veterans allowance for that year and he or his widow was forced to repay to the war veterans allowance board the amount by which he was overpaid. This repayment causes an undue hardship to these people. They do not understand it. When they receive a cheque from the government, they spend it because they expect the government to know what it is doing. It is an undue hardship even for them to repay in small amounts a sum of money which was paid to them by the government. There is another difficulty which our veterans face. The level of the basic rate of war disability pension has fallen $1,000

below the level of untrained labour in the public service. This was supposed to have been the base on which we judged the basic rate for a war disability pension.

I wish to refer to a brief submitted to the minister by War Amputations of Canada on February 21 of this year. I will not read it because it would take too long. They selected five categories in the public service which are called untrained labour; these are correctional offices, building services, messenger services, protective and custodial services. The average wage of these categories is in the neighbourhood of $4,551. This indicates that their pension is $1,000 less, because they receive only $3,500 than unskilled and untrained labour in the public service. The Department of Veterans Affairs should look into this matter with a view to bringing veterans pensions more in line with the base set out for them in the Pension Act.

Veterans are faced with a backlog of appeals regarding adjustment of their war disability pensions. They must go through the entitlement board, the pension board and the pension review board. I do not have the figure before me but I understand that at the present time hundreds of cases are waiting to be reviewed.

An hon. Member: Thousands.

Mr. Knowles (Norfolk-Haldimand): My colleague informs me there are thousands. It is high time the appeal procedures were streamlined and speeded up. Perhaps the commission could be broken down into panels so that three cases could be heard simultaneously instead of only one.

If time permits, I will deal with the third phase of my remarks. This has to do with the Canada Pension Plan. From my own experience, and after discussing these matters with my colleagues, it appears it is taking far too long for Canada Pension Plan administrators to approve payments and place cheques in the hands of recipients. Especially is this true in the case of those who are entitled to disability pensions. Officials responsible for the Canada Pension Plan admit it takes up to six months to process an application for disability benefit.

• (1650)

Some hon. Members: Shame!

Mr. Knowles (Norfolk-Haldimand): The delay is caused in part by the refusal of the department to accept proof of disability established by another department of government for which, for instance, the applicant might have been working. As a result, many pensioners are being deprived of their just rights for many months.

In conclusion, may I summarize by directing attention again to my comments on the subject of unemployment insurance, by urging a review of benefits to veterans and especially the need for an increase in war disability pensions and, last, to the case for speeding up procedures under the Canada Pension Plan.

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, in the time allocated to me this afternoon I wish to refer to two matters of substantial interest to all hon. members wherever they may sit in the House. I propose to deal with the subjects of immigration and unemployment insurance.

The hon. member's motion includes a reference to immigration procedures, in broad and sweeping terms, and because of the vague wording of the motion I can only guess at those aspects of immigration procedures which the hon. member believes need to be expedited. Presumably he is referring to the situation of visitors from abroad who seek to remain in Canada permanently. Before commenting on the situation as it exists today I should like to review briefly the legislation and policy affecting this class of immigrant so as to place the matter in its proper context.

Until 1967, Canada, like all other countries, attempted to discourage this kind of immigrant movement. Strong efforts were made to prevent the initial admission of people seeking temporary entry who, it was believed, really wanted to stay permanently. Most visitors who tried to obtain landed immigrant status were required to return abroad and make their applications to the appropriate visa office. This policy was followed, not for arbitrary or legislative reasons as some have suggested but for the very practical reason that it is much simpler and more effective for a person to be examined as an immigrant on his home ground, so to speak, by an officer experienced in immigrant selection and in the ways of that country, than for him to be examined thousands of miles away.

We must not forget that the entitlement to take up permanent residence in Canada is not a right in the person but, rather, a privilege to be accorded in the exercise of Canada's sovereignty if it is felt that the applicant can contribute to the development and quality of life in Canada. The immigrant selection examination is thus not a determination of rights but a review of a person's qualifications for being granted a privilege.

Nevertheless, in the broad and substantial liberalization of immigration legislation and policies in 1967, two very important changes were made in the interests of creating a more positive attitude to immigration in Canada and of ensuring that every individual was treated justly and sympathetically. First, the immigration regulations established, for the first time ever, the right of a non-immigrant or visitor to seek to change his status to that of a landed immigrant or permanent resident without having to depart from Canada. These people were to be examined in essentially the same way as applicants abroad, that is, in accordance with clearly stated, almost entirely objective criteria which were to be applied without regard to the person's race, religion or geographic origin, and had for their sole purpose the determination of whether a person would be a good resident and future citizen of Canada.

Second, an immigration appeal board was established. This board was to be completely independent of the department and of the minister responsible for immigration. It was given full power to deal with all appeals against deportation orders made by officers of the department, including cases of visitors who were refused landed immigrant status. In addition to dealing with the legal aspects of each case, the board was also empowered to set aside the Immigration Act and regulations in any case in

which it felt there were strong compassionate or humanitarian considerations which should be taken into account.

At about the same time the Department of Manpower and Immigration, in close co-operation with other departments, initiated a joint program to facilitate tourism by speeding up inspection at the major ports of entry to Canada, especially the international airports. This program, involving the inspection of arriving passengers by a single officer representing four inspection services, has been highly successful in expediting the flow of the 38 million foreign visitors who come to Canada each year. It has made it much more difficult, however, to detect the fraudulent visitor who is really a clandestine immigrant.

When these generous changes in policies and procedures were made it was recognized that there would certainly be an increase in the number of visitors, bona fide and otherwise, who would apply for landed immigrant status in Canada. There was no way of foreseeing, however, that the number would skyrocket. From one or two thousand cases a year before 1967 it has shot up to about 45,000 persons each year, or something in the neighbourhood of 20 per cent to 25 per cent of all applications received from all around the world.

You can appreciate, Mr. Speaker, the impact this has had on offices in Canada unprepared both as to number and kind of staff required to cope with the workload. The inevitable effect, despite the often maligned but nevertheless heroic efforts of the staff, was the gradual development of backlogs in many offices, especially those receiving the greatest number of applications. By September of last year the total backlog across Canada has reached more than 7,000 cases. If the hon. member had submitted his motion at that time it would undeniably have contained some substance.

I am happy to report, Mr. Speaker, that the situation to which I have just referred no longer exists. By means of still greater efforts than were being made before, by diversion of both staff and resources from other areas of the department's work, it has been possible to effectively eliminate the backlog so that it may now be said that applications are dealt with on a current basis.

This is not to say that an individual application will be decided, as compared to put into process, without some delay. The determination of a person's suitability as a resident and future citizen of Canada requires, by law, an interview, medical examination, certain documentation and certain background checks. These cannot be completed overnight and, as I indicated earlier, they cannot be done as easily in Canada as would be the case if the applicant were in his usual country of residence. Nevertheless, decisions are rendered in many cases in as little as six or eight weeks, although some, depending on the country from which the person came to Canada, may take several months. Everything possible is done to keep these delays to a minimum. Nobody, be it the applicant, the department or Canada itself stands to gain anything by having cases drag on longer than is absolutely necessary.

• (1700)

I suppose that the hon. member might also have in mind delays in immigration processing after the examination stage. Because of factors that I mentioned earlier, such as the reduction of initial inspection at ports of entry, the facility of applying for landing within Canada and the independent and very powerful appeal board, the provision for applications in Canada is being used not only by genuine visitors but by many people who are immigrants all along and who know or suspect they would be refused if examined overseas. Indeed, they may already have been refused overseas. The result is that a substantial proportion of applications in Canada must be refused.

If the applicant declines to leave Canada on receipt of the decision, as most do, the department has no choice under the law but to undertake deportation proceedings. Because of the large number of applications and the large number now completing the examination stage, it is quite true that there is a large backlog awaiting attention by departmental enforcement staff. I must point out, however, that at this stage it is no longer a question of "entitlement to status and payment of benefits", as mentioned in the hon. member's motion; rather, it is a question of determining whether the person is in Canada lawfully at all and, if not, whether his removal should be directed. The same is true of the third and final stage, the appeal against a resulting deportation order. Although there is also a well publicized backlog at this third stage, I do not consider either the second or the third stage to fall within the terms of the hon. member's motion.

May I assure you, Mr. Speaker, and the members of the House that the minister and the officials of the department are not insensitive to the plight of people caught in delays at any of the stages, even though many have brought the difficulties upon themselves. The minister has not assumed his new responsibilities in order to rest on the status quo. Consideration is being actively given to administrative and legislative measures to provide solutions to the situation that has developed as a result of the desires of so many people to immigrate and settle in Canada.

The second point that I should like to deal with is that of unemployment insurance. There are reports originating in Toronto that the welfare department of the province of Ontario is seeking to recover from $1 million to $2 million from the federal government. The sums, it is claimed, are additional welfare payments made to certain unemployment insurance claimants arising from alleged delays in the processing of claims. I am advised that this matter was in fact discussed on March 3 in the provincial legislature. At that time the Ontario minister of social and family services, in reply to questions concerning delays in payment of unemployment insurance, indicated that his department had been working closely with federal officials in efforts to establish arrangements whereby moneys that had been paid to municipalities could be recovered from payments of unemployment insurance.

In light of these events it is indeed difficult to understand that the Ontario minister would say that the new unemployment insurance program is causing extra costs to the province in welfare payments. Recent surveys have indicated that welfare payments generally have decreased primarily as a result of the more generous provisions of the new program. In actual fact, the unemployment insurance program, combined with the special employment program will save social welfare agencies, local taxpayers

and provincial governments millions of dollars in 1972. And any reports to the contrary are totally incorrect.

As a matter of fact, the welfare commissioner of the city of Toronto recently indicated that welfare expenditures would be reduced by some $8 million as a direct result of the unemployment insurance program. Discussions have been proceeding with all provinces, including Ontario, in respect of the assignment of unemployment insurance benefits. A meeting has been arranged for March 21 in Toronto to review the procedural aspects for the assignment of unemployment insurance benefits.

I am further advised that the Toronto metro executive committee met yesterday and announced a $2 million reduction from its welfare budget. This saving is not unconnected, I suggest, with the new unemployment insurance program and the special employment program. So we see substantial social welfare cost reductions predicted for the province of Ontario and other provinces, yet some people in Canada still say that social welfare costs are increasing as a result of the new unemployment insurance plan. To say the very least, that kind of misinformation is most unhelpful.

It should be noted that the old unemployment insurance program did not permit the assignment of unemployment insurance benefits, and this frequently resulted in persons being paid twice for the same period of time. The new Unemployment Insurance Act gives the Unemployment Insurance Commission the power to assign benefits where arrangements have been made with provincial and municipal authorities.

It has been suggested this afternoon that there should be a one-week waiting period. Surely an actuarially sound program must proceed according to actuarial principles. If we were to reduce the waiting period to one week, the premiums would have to be increased substantially and benefits would be reduced. Anyone who buys automobile insurance knows that the $25 deductible policy is far more expensive than the $100 deductible. A two-week waiting period was thoroughly discussed in committee and is the result of actuarial estimates.

It has also been suggested that there should be a greater degree of decentralization. Surely the hon. member is aware that since 1970 unemployment offices, including service offices and central offices have increased in number by 50 per cent and that during the same period telephone lines have increased by 65 per cent. Surely he is not unaware of the fact that every two weeks well over 600,000 cheques are processed and despatched to grateful families from coast to coast. It might be useful to emphasize some of the undoubtedly positive accomplishments of this, the world's finest program of unemployment insurance, a fact which is beyond dispute.

This does not mean to say that this department or the government is resting on its laurels. Both before and during the recent criticisms of the commission's claims processing procedures extensive action was taken to identify and correct any administrative deficiences which could be the cause of the criticisms. The situation is now nearly back to normal, but the meaning of "normal" must be understood in the context of the magnitude of the commission's operations and the unfamiliarity of the unemployed with the new act, regulations and administrative procedures.

Currently, payments are being made every two weeks to well over 600,000 persons. However, these persons are continually changing at the daily rate of 10,000 new persons added and about 8,000 persons returning to work or exhausting their claim. The effect of 10,000 new claims per day is reflected in inquiries to the commission as each person proceeds to ask for application forms and perhaps to query the two-week waiting period, request an explanation of his benefit rate or income tax deduction or object to a disqualification, disentitlement or notice of ineligibility, etc. About 2,000 persons per day are subject to a disqualification procedure. The commission is averaging over 50,000 inquiries per day, a 50 per cent increase over last year due to the new act, regulations and procedures.

There has been continuous monitoring of the operations under the new act and procedural changes have been made as experience dictated. During December it became apparent that there were three major problems. First of all, the first cheque took longer than expected to reach the claimant.

The Acting Speaker (Mr. Boulanger): Order. I regret that the time allotted to the hon. member has expired.

Mr. Perrault: Mr. Speaker, with the consent of the House may I finish my statement?

The Acting Speaker (Mr. Boulanger): The hon. member knows that the unanimous consent of the House is required for this. Is it agreed?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Boulanger): I hear some no's.

Mr. Perrault: I thank the House for its courtesy.

Mr. Crouse: If you knew what was going on you would not need any extra time.

The Acting Speaker (Mr. Boulanger): Order. I have rendered my decision and there should not be any argument.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I trust I will not try to get by a House order regarding timing. It was agreed at the beginning of this debate that no member would ask for extra time. This afternoon we heard a lengthy reply by the Minister of Labour (Mr. O'Connell) to a motion which I think he completely misread. I may say that the Parliamentary Secretary to the Minister of Manpower and Immigration (Mr. Perrault) was rather more on target because this motion deals with the period of waiting, the disentitlement, the effect on status and the way the citizens of the country have been affected in a number of areas. My colleagues have spoken about them. I refer to service pensions, Canada Pension Plan disability payments, the unemployment insurance field. Now I wish to refer in particular to immigration.

• (1710)

I am very glad that the Immigration Department prepared an apology for the parliamentary secretary to read to the House with regard to what has happened. It is not that everything was wrong before 1967 and everything has been right since. If there has been anything wrong with regard to immigration, it has been since 1967. In 1967 the department warned that the change in the regulations affecting the rights or the privileges of visitors to apply for landed immigrant status in Canada was going to cause trouble, and nothing has come but trouble to the point where it is suggested in many areas that there is abuse. There is nothing in what the parliamentary secretary has said, nor has any evidence come forward from the department except tacit admissions that there is abuse, that there are hundreds, perhaps thousands, who come to this country, presumably as visitors, apply for landed immigrant status and then disappear when they are turned down and turn up elsewhere, most of them in the United States. This country has become another avenue of illegal entry into the U.S.

What gets me is that in the Throne Speech of October, 1970, we were told we were going to get a white paper on immigration, an examination of the trend in immigration. Immigration has gone down from 200,000 persons per year to about 125,000. Ask any immigrant family what their attitude is toward the government. Let me say that the majority of those people are not a drag on the labour market. There are some casualties among them but the majority of them are hard working people. They do not have to conform to the artificially high standards that are set in the points game that people have to play with the department.

Never in my life have I seen anything quite so artificial as this rigid and arbitrary standard that has been set up with regard to the admission of immigrants to Canada. You have to go to school for 11 years or nine years as we do in Canada, but in the country from which the individual comes in six or seven years he may learn almost as much as in the nine years here. That is certainly true of the trades. I have never seen such an ostrich-like performance in the standards that have been set under a minister who did not care a whit about immigration. We know that the minister who was responsible at the time did not care a whit about immigration. As a matter of fact, his background is such that he would wish to eliminate as much immigration as he could.

Mr. Béchard: Who is he?

Mr. Lambert (Edmonton West): He is now Minister of Regional Economic Expansion (Mr. Marchand). That is the point.

[*Translation*]

And I told him that too, without beating about the bush.

Mr. Béchard: Yes, but he answered you too, did he not?

[*English*]

We know that the regulations were made by the officials, approved by the minister and were never submitted to parliament for examination. We are always told that they have been passed by parliament. Not on your life. Be that as it may, there is that great, running sore that we were to have the benefit of the government's views on this, according to the Throne Speech of 1970. I asked the former minister many times when we were going to get the white paper on immigration. "Soon," he said, but 16 months have elapsed. We have had a new Throne Speech in which nothing was said about this.

We were told we were going to get amendments to the Immigration Appeal Board Act, but nothing has been said about that. The replies were "Soon," but the net result has been that the Immigration Appeal Board itself is run into the ground. They are doing yeoman work. They deal with just under 1,000 cases a year, which is a lot, yet there is now a backlog of over 7,000 cases. If there were no further appeals as of today it would take the Immigration Appeal Board seven to eight years to deal with the backlog.

What happens to the people in the interval? I admit that some of them are acting in direct contravention of the law. I do not want to call into question any of those cases where there may have been fraud. But what about all those people who are now in the country awaiting appeal, working, getting married and having children? Are we simply going to leave them in a limbo and five years from now say, "But you have only 45 points. Out". What about the children? What about the prejudice to the individual because there is a blind and obstinate desire or insistence on fulfilling bureaucratic rules? This is the point that I am concerned about.

I will argue with the Immigration Department about their standards but that is not the point that I am trying to make today. The point is this business of the continuous pile-up. I am referring to the case where an individual, having come to this country, applies in a bona fide manner according to the law and the immigration official does not grant him sufficient points but does not tell him that he has only perhaps 35 or 36 points out of the required 50. The individual must then ask for a special inquiry and at the time of the special inquiry the information is disclosed, not beforehand. The individual cannot go to anyone who is knowledgeable. He is often a poor immigrant who does not speak too well in either of our two official languages. He is in a strange land, baffled by officialdom, row upon row of officials, a great big machine which absolutely terrifies and intimidates even those who come from countries where English is spoken.

I have seen Australian girls, competent computer operators, turned down because they were short of one or two years of their school education. They were told to ask for a special inquiry. They were petrified at the prospect of facing such a special inquiry. What is the lot of the individual who does not get a change of decision at the special inquiry and still there are grounds for dispute and there is a right of appeal? He gets a deportation order and is told to either go voluntarily or be deported.

• (1720)

There are presently 7,000 to 8,000 people who have deportation orders hanging over their heads. They cannot leave the country to go to the United States for even 24 hours. They cannot cross the border. On occasion I have asked ministers and senior officials when they intend to

change this barbarous procedure. They say they are studying the matter and will bring in a white paper. Where is that white paper? In the interval, thousands and thousands of people are being made the subject of deportation orders. This is totally unnecessary.

This is the type of thing which is on one's record for life. At a future date, if a person were to ask for citizenship he would be asked whether he had ever been subject to a deportation order. That person must answer yes even though the deportation order may have been vacated. This is what I call an insistence upon an unjust society. I believe this is a situation in which thousands upon thousands of people in this country are suffering injustice from a bureaucratic system. Nothing is being done about this. This is the reason I make this protest.

This situation could be changed very easily. I invite hon. members to turn their attention to this matter. It is a narrow field. There are not hundreds of thousands of people affected; there are only a few people affected, but they are people in the main who are unable to defend themselves unless we speak up in this House. I am very pleased today to speak up on behalf of every one of them and I invite my colleagues to do so as well.

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I welcome the resolution and I am not worried, as the parliamentary secretary is, about the broad sweep of its language. The resolution was intended to identify a serious problem which governments face and which this government faces in respect of its credibility because of, if I may put it fairly, lack of efficiency in adjudication of some of the claims. This is a serious matter and one on which I believe the House does well to spend a few hours.

This is a government which speaks of its flow charts and boasts about the efficiency of its organization. All this, I am sure, may be excellent but unfortunately a flow chart is quite lacking in compassion. I listened to the Parliamentary Secretary to the Minister of Labour (Mr. Perrault) tell us about the number of cheques which are going out each week. I think this is something for which the government may well take credit. But while we play this numbers game in respect of totals we must remember—the parliamentary secretary and the minister are well aware of this because they had to go to extraordinary lengths to provide members of parliament with facilities to deal with the many thousands of cases which do not appear in the statistics—that these are not all "plus" statistics, if I might put it that way.

We respect those public servants who are doing a superb job in trying to handle the difficulties and we welcome the special telephone numbers, although I must say I somewhat resent the fact that a member of parliament is given the privilege of using a special number when members of the public who are entitled to it because of their contribution are unable to have the service. There is something in the way of elitism or unpleasantness about this. Surely each citizen should be able to reach the Unemployment Insurance Commission and other government boards without the need of this sort of intermediary pressure.

The particular aspect I wish to speak about today is the unconscionable delay which was alluded to by my friend the hon. member for Norfolk-Haldimand (Mr. Knowles) in respect of the adjudication of Canada Pension Plan claims particularly in so far as the disability aspect is concerned. This is not a matter of privilege. What is being adjudicated upon under the disability section of the Canada Pension Plan is a right which has been bought and paid for by the individual citizen who participates in the plan. I believe it is quite unconscionable that people who are at a very serious stage because of ill health must go through a period of delay month upon month. My hon. friend spoke about delays of six months. When we inquire about situations in respect of the Canada Pension Plan we are told quite casually by officials that there is a six months' waiting period.

I genuinely wished to take part in this debate today to say this is quite an unacceptable procedure. We were all here and took part in the debate in respect of the Canada Pension Plan and there was no question, when we passed that statute, that there would be a six months' delay. Certainly, when the head of a family is stricken because of ill health there should be no question of a six months waiting period. This is an example of straight bureaucratic inefficiency.

This resolution is designed to identify the problem to the government and, with the greatest respect, is an attempt to get the government off its celebrated status quo to which the parliamentary secretary alluded. There can be no excuse for a six months' delay in respect of disability pensions. I have had several cases involving a lengthy waiting period. I had an unfortunate case recently under the Canada Pension Plan involving an orphan who waited for entitlement from January until July 1971. It is no wonder governments are thought of cynically. There is a credibility gap, if I may use a cliché. It is no wonder governments are under pressure from the public when such unnecessary delays occur.

The motion also included a reference to delays in passport applications. I give the Secretary of State for External Affairs (Mr. Sharp) credit for the opening of regional offices. It is somewhat ironic, when one department centralizes, which is the case in respect of the unemployment insurance offices which are being centralized, that the Secretary of State for External Affairs has recognized a need for decentralization and has set up offices in Vancouver, Edmonton, Montreal and Halifax to mention but a few. However, there still remains a very serious problem in respect of processing passport applications. I do not know whether the House is interested in these sort of anecdotal references, but they are the only way in which a member of parliament can personalize individual cases. This brings flesh and blood into what otherwise would be a series of meaningless statistics.

• (1730)

Presently I am trying to deal with the passport application of a man who served this country in World War I and World War II. He has his World War I army discharge certificate. He has a notarized copy of his entry in the family Bible. He has an identification card with his fingerprints and photograph, and with the signature of the Deputy Minister of Munitions and Supply, which allowed him to go in and out of the offices in which he worked in

Ottawa during World War II. But still he is ineligible for a passport.

This is an individual case. Governments get tired and frustrated with individual cases. But the member of parliament who is representing individual cases, and is glad to do so, is perhaps the last humanizing link between the citizen and the state. Really, Mr. Speaker, it becomes very frustrating for us when these almost incomprehensible—I hate to use the expression red tape because it is overused—regulations prevent citizens from entitlement to their ordinary privileges.

I do not know whether my colleagues in this House enjoy Kafka, but Kafka was a contemporary philosopher of the absurd. I think it is fair to say that Kafka would understand perfectly; as a matter of fact he would really be the patron of the Department of Labour and its machinations with the Canada Pension Plan and unemployment insurance. Kafka warned mankind that if man allowed himself to be captured by the mechanisms of modern technology, then the ordinary human elements of life would really be second or third rank. As I say, he was a philosopher of the absurd and therefore he would have identified very readily with the motion that is before the House.

An hon. Member: And with practitioners of the absurd.

Mr. Fairweather: Yes, with practitioners of the absurd.

Mr. O'Connell: You are well versed in the absurd.

Mr. Fairweather: Any member of parliament who is doing his duty is well versed in the absurd when dealing with this government.

Some hon. Members: Hear, hear!

Mr. Fairweather: There is no problem with that, particularly when we hear great lines of figures read out, with talk about 600,000 cheques. As members we have to deal with individual persons, and it is a good thing for this country that some people are dealing with persons on an individual basis. We see the difference between insensitivity and compassion. In fact, this may be a good subject for an election manifesto.

No doubt we will soon have great election lists recording boasts of achievements. I presume one that the government will want to lay claim to is the Canada Pension Plan. But nowhere in its boasts will be the orphan who had to wait seven months for an identification of his claim. Nowhere will be the individual people who are suffering disabilities, who have paid for their entitlement and yet cannot get adjudication for six or seven months because of absurdities. This motion is intended to jolt the government off its very complacent status quo and I am delighted to support it.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I was very pleased to see this motion appear on the order paper, particularly as it deals with a number of departments. It indicates that people have difficulties with quite a number of departments. All members of parliament receive mail outlining individual problems. The people concerned encounter a stand-off in trying to achieve ready settement of what appear to them to be simple problems.

The matter of unemployment insurance is one that has been raised a number of times in this House. I am always surprised to find that the Parliamentary Secretary to the Minister of Manpower and Immigration (Mr. Perrault) is able to read some of the garbage that some civil servants hand him. He did it again today. He pointed out that 600,000 cheques were mailed out; but really what does that mean? Every person in this country who works at a job paying over $25 a week and who spends over 24 hours on the job pays unemployment insurance. He pays it just as sure as the sun rises and the sun sets. It is taken from his pay cheque.

There is no question about whether he wants to pay it or not. No consideration is given to the possibility of slow mail, of a lost contribution, or to the possibility that the computer did not handle it properly. The government is highly efficient in getting its pound of flesh. On the other hand, different criteria apply when the government is dealing with individual people who have claims against it.

The parliamentary secretary has often said that 97 per cent of the unemployment insurance cases are settled within what he calls a normal period of time. What is the normal period, Mr. Speaker? It is between four weeks and eight weeks. Anything over eight weeks is considered to be not quite normal. This amounts to three to four paydays that the worker must wait. In such a case it is not difficult to understand why people seek welfare. I send my share of people to welfare offices because I sympathize with them and I am never sure that the UIC will solve their problem soon or at all.

I am also prepared to tell many people that if they can get out of signing the assignment, they should do so. The amount of money these people get is never $100, as the government claims; it is always considerably less. It is a physical impossibility to get $100 under the Unemployment Insurance Act. Although there are many booklets pointing out that the worker is entitled to $100, the worker never gets that amount.

Mr. Perrault: You had better read the book again.

Mr. Peters: I know it has been rewritten several times, but despite the propaganda that claim is not true.

Mr. Perrault: You are misleading your constituents.

Mr. Peters: You simply can't get $100. A person accustomed to an income of $8,000 or $10,000 a year finds that $100 is the minimum he needs to make the payments which he has contracted. But he finds income tax deducted from the $100 and his actual payment is considerably less. Some of the problems connected with unemployment insurance are the fault of the government. One mistake was the computer. We undertook the computer system on the cheap. I am sure it is costing the UIC several millions of dollars to cover the mistakes obviously made in the development of its computer. In the unemployment insurance offices in each province the computer has a payout recorder attached to it. This payout goes on tape which is then sent to the various offices. When someone wants information from it they must scan the whole computer

tape. An outlying area may be two or three days behind and have to go over a number of these tapes. This is very expensive and causes difficulty. If someone telephones for information they cannot get a reply because it takes so long to find it and, of course, the person answering the telephone has no connection with the particular section responsible for the computer.

• (1740)

Mr. Perrault: You are badly confused.

Mr. Peters: Mr. Speaker, I handle many more cases than the parliamentary secretary does, so I am familiar with this matter. He is not familiar with anything. He is just an apologist for the government. He has been that kind of apologist since his election and that is what he will continue to be. He knows only what he is told by an official of his department, so sometimes he is able to convey sensible information to the House.

Mr. Perrault: You are misleading your constituents. You don't know what you are talking about.

Mr. Peters: The Unemployment Insurance Commission should have a computer system similar to that used by Air Canada for reservations, so that when information on a claim is requested it can be retrieved from the memory bank. That should have been done in the first place and I hope it will be done now. There are other delays, Mr. Speaker. The office that I deal with is at least 50 per cent understaffed.

Mr. Perrault: I think it is some of the poor advice you are giving to your constituents.

Mr. Peters: Mr. Speaker, my constituents will worry about that when the time comes.

An hon. Member: We want them to get their money.

Mr. Peters: I would like them to get their money and every municipality in my area would like them to get their money. Many of the municipalities are rural and they cannot afford to pay these people; they just do not have the funds. There are at least a dozen letters from the unemployment insurance office in Kirkland Lake demanding some sort of courtesy to that office. Kirkland Lake has an unreasonably heavy unemployment insurance load and it cannot afford to pay the claims made in the form of welfare payments. True, Ontario has an assignment but when a person draws less than two-thirds of his former wages in unemployment insurance, and many of the unemployed are in that category, he cannot go four paydays without money and therefore he goes to the municipality for welfare.

This is a point that bears investigation, Mr. Speaker. Toronto is in a different category from other areas because it has an unemployment insurance district office and people can go there in person. Areas outside the major cities operate entirely by mail and this presents another problem involving the post office. This afternoon I was talking to a member who indicated that on occasion he can get a letter in British Columbia within a day, but a very important letter on one occasion took nine days.

An hon. Member: That is not unusual.

[Mr. Peters.]

Mr. Perrault: There was an air strike.

Mr. Peters: It would not be so bad if that happened all the time because then you would know it takes nine days. But in another case where air is not involved the Unemployment Insurance Commission in Belleville mailed five letters on Monday, five on Tuesday, five on Wednesday, five on Thursday and five on Friday. The office in Timmins got two letters on Tuesday, four on Wednesday, two on Thursday, three or four on Friday and the balance the following Monday. How can a thing like that happen, Mr. Speaker? They put it in the mailbox, onto the sorting table then onto the truck and then on the second day you get two letters. These letters were specially prepared by the Unemployment Insurance Commission, but of course the parliamentary secretary would not know anything about that because he has not been told by his officials.

Mr. Perrault: Did you contact the postal workers?

Mr. Peters: You cannot blame the unemployment insurance people for that but you can certainly blame the government. When you put an eight-cent stamp on a letter, if you knew it was going to take eight or nine days to get to British Columbia you would think about operating a special airline. And what about the letter that takes one day? How did the two letters get from Belleville to Timmins in one day and some did not arrive until the following week? These are simple problems, Mr. Speaker, and people want to know the answers.

Mr. Perrault: Have you written to the post office?

Mr. Peters: Then I would be in the same position as everybody else.

An hon. Member: They would never get the letter.

Mr. Peters: Mr. Speaker, several weeks ago I asked the post office for some literature and suggested that I would send a messenger for it. They said they would put it in the mail and that I would get it right away. Well, they did and four or five days later I had to send a messenger to get it. About a week later it arrived in the mail. They had put it in a brown envelope and you know the people who handle the mail do not like touching those.

Mr. Perrault: Are you sure you put a stamp on it?

Mr. Peters: I didn't send it, Mr. Speaker; the post office sent it to me. I did not have anything to do with putting a stamp on it.

An hon. Member: He just doesn't understand anything.

Mr. Peters: The point is that in a modern society we have to speed up processes. There are ways of doing things that will cause little displacement in the life of the average individual I may be wrong, but I believe that rather than keep two plans going the Unemployment Insurance Commission should have had two systems going. When a person phones saying that it is four or five weeks since he sent in his form and he has not heard anything, there should be another side to the unemployment insurance system, as there once was, where the matter could be dealt with by hand.

If the computer rejects a claim, then someone should take another look at it and see that it is processed by hand. If not, the person has to start all over again and another four or five weeks go by. I do not know why we have not been able to operate the systems simultaneously. Computers are probably the tool of communication of the future, but there is a human element involved which means that we will always have difficulties, and steps should be taken to deal with them. It is not good enough for the parliamentary secretary to say that only 2 per cent or 3 per cent of the population is affected.

Mr. Perrault: I never said that.

Mr. Peters: You did, in exactly the opposite way. You say that 97 per cent are being paid regularly. The hon. member has said it at least four or five times. I presume he had previously read what he was reading then, but of course he may not have. I think that members of parliament have to get as much assistance as possible from the department and they will have to intercede on behalf of constituents who have problems.

I have read in the newspapers about people asking Star Probe to investigate a problem. What did they say? Star Probe handled the problem of a man who was laid off last July. He said that his experience was like screaming in a soundproof room.

• (1750)

Mr. Speaker: Order, please. I regret to interrupt the hon. member but his time has expired.

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, it is a pleasure for me to speak to the motion now under study. I listened with great satisfaction to the speeches of several hon. members, and one thing that makes me happy is the fact that the motion calls upon the government to accelerate public services which affect our way of life.

We often tend to blame the government very categorically. In view of the phrasing of the motion, the government will normally be inclined to reply in the affirmative to the requests made today by hon. members concerning certain services which cannot always, this is true, be easily improved.

To give the impression that the minister alone is responsible for unemployment insurance benefits is unfair, in my view. I am sure that the minister, as well as hon. members, want every claimant to receive his cheque without delay, and that the difficulties suffered by those who have been waiting for their benefits, especially since January, will be overcome.

I shall refrain from simply accusing the minister of being responsible for those difficulties, as I believe that the government has in fact tried to improve the service. I wonder, however, if it would not have been better to keep a certain number of regional offices, because it is possible that the experiment that was carried out is not conclusive.

I personally had occasion to ask the minister, six or seven months ago, to reopen an unemployment insurance office in my area, and I received an affirmative reply. Now, this service is again available to my riding, and is most appreciated.

I should also like to ask the government to consider improving services at the civil servant level, taking into consideration all the time spent on negotiations concerning the new agreement on family allowances in the province of Quebec and the other provinces.

I could also mention the endless negotiations concerning the policy on telecommunications. It is evident that not only the province of Quebec, but the others as well, often complain about these long-drawn out negotiations. In fact, we are quite aware that citizens would benefit greatly if these services could be improved.

I suggest that the government could give favourable consideration to the request expressed in this motion, urging them to seek solutions for improvement of these services.

Of course, I shall not dwell on the immigration and passport procedure. I know that the hon. member for Edmonton West (Mr. Lambert) gave an account of the situation. There again, I imagine that the white paper in question should normally be published and tabled in the House before long.

Distribution of mail was also mentioned. Of course, many changes have been made in the Post Office over the last four years. On being elected to the House of Commons, I deplored the serious changes that were made, without enough concern for the service that department was to offer the public.

I remain deeply convinced that the Post Office is a public service. The public not only needs that service, but is entitled to it. I do not believe it wise to put profitability before service due the Canadian people among the assessment criteria. Some definite changes have been made now following the replacement of the imcumbent at the time, and I hope they will produce much more humane results for the country.

I felt it necessary to make these few remarks and to call upon the government to seriously consider improving such services, in the interests of the Canadian people. I have faith in a motion requesting the government to consider all representations from hon. members. In the debate, they did not simply blame or criticize the government, but outlined to the minister the difficulties being experienced by the Canadian people. I believe that we can thus make the government aware of the situation while providing it with as much information as possible, and this solely to improve the services provided to our people and to give them the satisfaction they so legitimately look for.

Mr. Speaker: It being six o'clock, it is my duty to inform the House that pursuant to Standing Order 58(11), proceedings on the motion have expired.

The House stands adjourned until tomorrow afternoon at 2 p.m., pursuant to Standing Order 2(1).

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, March 16, 1972

The House met at 2 p.m.

PRIVILEGE

MR. NIELSEN—PETITION OF OLD CROW INDIANS

Mr. Speaker: Is the hon. member for Yukon rising on a point of order?

Mr. Erik Nielsen (Yukon): Mr. Speaker, I am rising on the question of privilege, notice of which I sent to Your Honour yesterday.

Mr. Speaker: Order, please. I do not want to cause any difficulty, but I was not aware that the Chair had received notice of a question of privilege. I believe I received notice of a motion yesterday but not notice of a question of privilege. Perhaps it might be difficult to determine whether the notice was notice of a motion or notice of a question of privilege. I suppose it is a question of interpretation, whether the words used by the hon. member can be interpreted as notice of a question of privilege rather than notice of a motion. In the circumstances, I will give the hon. member the benefit of the doubt. He may indicate what the privilege is that he proposes the Chair should consider.

Mr. Nielsen: Mr. Speaker, my question of privilege arises as a result of the petition of the Old Crow Indian people which was tabled in the House of Commons a short time ago and is based upon Standing Order 67(8) which reads as follows:

No debate shall be permitted on the report—

The report of the Clerk of Petitions.

—but a petition referred to therein may be read by the Clerk of the House at the Table, if required;—

Your Honour will recall that instead of being read the petition was printed in *Hansard* as though it had been read. After the semicolon in paragraph 8 of Standing Order 67—

Some hon. Members: Hear, hear!

Mr. Nielsen: Mr. Speaker, I should like to join with hon. members in welcoming back to the House the Minister of Manpower and Immigration after his illness. After the semicolon there follows an alternative procedure that is available if certain conditions are met:

—or if it complain of some present personal grievance requiring an immediate remedy, the matter contained therein may be brought into immediate discussion.

I suggest, Mr. Speaker, that there is now a requirement for an immediate remedy since the minister has invited applications for the construction of a pipeline or pipelines which inevitably must cross the land forming the subject matter of the claim of the Old Crow Indian people as contained in their petition. I do not suggest, nor do they, that they be heard in this House immediately, but they seek the same accommodation that was given to a member a short while ago when a petition he presented was referred to a standing committee for consideration, the same accommodation that was given by unanimous consent yesterday when the complaints of Miss Booth were referred to a standing committee of the House for consideration. They seek only to have the petition referred to the Standing Committee on Justice and Legal Affairs.

• (1410)

The fact that the Barber commission has been set up does not offer an acceptable nor an effective alternative to the petitioners. Because of the immediate requirements which I have outlined to Your Honour and because the rules do contain an alternative procedure whereby the petition can be referred, I move, seconded by the hon. member for Athabaska (Mr. Yewchuk):

That the petition of Chief Charlie Abel and Councillors of the Old Crow Indians in the Yukon Territory, presented to this House on February 29, 1972, be referred to the Standing Committee on Justice and Legal Affairs for inquiry and report with the committee's recommendations, if any, thereon.

Mr. Speaker: As the hon. member for Yukon will appreciate, there are procedural difficulties with which the Chair is faced. The Standing Order to which he referred does provide a procedure which in some instances can be followed, but I respectfully suggest to him that that procedure was not available for consideration of the House when the petition to which the hon. member referred was presented to the House.

The hon. member now seeks to raise the matter by way of a question of privilege. I have serious doubts whether a matter of this kind can be brought before the House by way of a breach of parliamentary privilege. This is really what the hon. member must allege at the present time, that there has been in some way a breach of parliamentary privilege. If anyone's privileges are affected, it would be the signatories of the petition. It would be the Old Crow Indians referred to in the petition submitted by the hon. member for Yukon. I doubt very much that it can be argued successfully, at least so far as I can judge, that the parliamentary privileges of the hon. member for Yukon have been affected to such an extent that I should rule there is a prima facie case of privilege.

As the hon. member knows, when in the opinion of the Chair there is a prima facie case of privilege there can be a debate. What is referred to a committee is the breach of privilege, not the substantive matter. What the hon. member now proposes is that the petition of Chief Charlie Abel and other members of the Old Crow Indians be considered by the Standing Committee on Justice and Legal Affairs for inquiry and report. That is really a

substantive motion. In my view, the hon. member will have to find another way to submit the substantive motion for consideration by the House.

The hon. member quite rightly referred to the fact there was accommodation in another instance when the hon. member for Cape Breton-East Richmond presented a motion which in a way was similar to this one. It was also based on a petition. It was agreed between the representatives of the parties that the matter would be considered by a standing committee of the House. There is that possibility yet, I suppose. I would urge the hon. member to take this up with the representatives of the other parties. I would certainly supply my good offices to the extent they could be helpful in trying to achieve compromise or accommodation as was done when we were met with a similar difficulty some months ago.

[*Translation*]

ROUTINE PROCEEDINGS

COMMITTEE OF THE HOUSE

TRANSPORT AND COMMUNICATIONS

First report of Standing Committee on Transport and Communications, in both official languages—Mr. Lessard (LaSalle)

FINANCE, TRADE AND ECONOMIC AFFAIRS

Second report of Standing Committee on Finance, Trade and Economic Affairs—Mr. Kaplan.

[*English*]

CONSTITUTION OF CANADA

Mr. Mark MacGuigan (Windsor-Walkerville): Mr. Speaker, I have the honour to present in both official languages the final report of the Special Joint Committee of the Senate and the House of Commons on the Constitution of Canada.

Some hon. Members: Hear, hear!

[*Editor's Note: For text of above reports, see today's Votes and Proceedings.*]

Mr. Speaker: Is the hon. member for Charlevoix rising on a point of order?

Hon. Martial Asselin (Charlevoix): Yes, Mr. Speaker.

[*Translation*]

Mr. Speaker, before this report is tabled, I should like to bring up a point of order.

The document being tabled is extremely important; it deals with the constitutional future and the fundamental laws of the country.

Now, Mr. Speaker, this report did not get the unanimous support of the committee. Diverging opinions were voiced about the philosophy of the report and certain chapters.

The hon. member for Matane (Mr. De Bané) and myself have prepared a minority report and I understand that other members of the committee did so too.

The possibility of members filing minority reports was discussed in committee. That right was refused by the committee.

Mr. Speaker, we claim that this fact contributes to denying the minority the right to express itself. Should permission be denied to table minority reports at the same time as the main report of the committee, I feel that this would constitute a very serious reflection on democracy.

• (1420)

Mr. Speaker, the committee in question is not like other committees; it is a special committee and, on referring back to Votes and Proceedings, one finds that this committee is called the Special Joint Committee of the Senate and of the House of Commons on the Constitution of Canada. And I emphasize this point: it is not an ordinary but a special committee.

I would now like to draw your attention, Mr. Speaker, to the following fact: it is obvious that, according to some practices of the House, minority reports on standing committees of the House—and I say "standing"—cannot be tabled at the same time as the main report. And in my view, this is wise. Here is why: it is obvious that when standing committees are called upon to study a public bill or a government measure, it is not possible to accept minority reports from such standing committees.

It would not seem to me that the Chair could have accepted, let us say on the proceedings of the Committee on Finance, Trade and Economic Affairs, minority reports regarding legislation introduced by the government.

May I ask, Mr. Speaker, whether there could be a little more order in the House so that I can make myself heard. It is of course not pleasing to hear French spoken in this House, but nevertheless I should like my hon. friends to hear my remarks.

Mr. Speaker, this is not a regular but a special committee in which no government policy is involved and—

Mr. Speaker: Order. I am sorry I must interrupt the hon. member, but I agree with him.

[*English*]

These private conversations which are going on in the House are very embarrassing to the hon. member who has the floor and certainly make it difficult for the Chair to understand what is being said by the hon. member.

[*Translation*]

I suggest that hon. members having conversations or discussions to carry on do so as much as possible behind the curtains, in the lobbies.

Mr. Asselin: Mr. Speaker, as I was saying, that joint special committee was in no way involved in government policy. That is why I say that because of that we should depart from the general rule adopted in the House to the effect that no minority reports can be submitted following proceedings of a permanent committee of the House. As this is a special committee, I feel that it should be allowed,

in order that the voice of the minority may be heard, to submit minority reports concurrently with the main report.

Mr. Speaker, it would have been desirable after the proceedings of the Special Joint Committee of the Senate and the House of Commons on the Constitution to be able while reading the report of those proceedings to notice the dissent that was expressed from time to time either on questions of principle or opinions concerning some of the subjects that were dealt with. But such is not the case. If you peruse the report of the proceedings of this committee, whose report is being tabled in the House, nowhere can you see the names of one or more members who had taken objection. All that was done was to put the question, count the votes and say, for instance, ten members are in favour of the motion and 11 are opposed; therefore, the motion is negatived.

This is all that can be read in the reports of the proceedings. Perhaps if the heading "dissenting" had been put into those reports, I should not be making this request of the Chair today.

Besides, I would also refer the Chair to the mandate conferred to the committee by the government. The latter did not say: The committee shall consider such and such viewpoint or government policy but it merely advised: We appoint a special joint committee of the Senate and of the House of Commons on the constitution of Canada in order to study the Canadian constitution.

The government did not lay any policy on the line when it asked the committee to study the constitution of Canada and, in my opinion, the mandate did not commit the government at all. This is why the report does not bind the government. In fact, it can reject or accept it in whole or in part. I feel that this is an important point in the matter I am raising.

I should also like to recall a precedent dating from June 23, 1971, when the report of the Standing Committee on External Affairs and National Defence was submitted. I refer to paragraph 26 on page 3114 of the proceedings of the committee. This committee has submitted to this House a main report where dissidences were recorded. I refer this House more particularly to paragraphs 26 and 27 which read:

26. Some members of the Committee feel they are not able to concur with the Committee's findings, even though they approve a number of specific conclusions. In their view, the evidence and the facts which emerged from the Committee's examination justify a much more critical assessment of the first policy paper.

And the matter of minority opinions continues to be raised.

I therefore uphold that my request is well founded and that the precedent which I just quoted must bind the Chair to consider favourably the point of order which I raised.

Mr. Speaker, I say again that I have here copies of the minority report of the hon. member for Matane (Mr. De Bané) and of myself, in the two official languages, and that I am prepared to table them if the Chair so decides. But before I close, I would like to say that, subject to the decision given by Your Honour, I reserve the right to move in the House a motion asking leave to produce the documents to which I have alluded.

[*English*]

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I should like to support the hon. member for Charlevoix (Mr. Asselin) in the point of order he has raised. It seems to me it is one of very great importance. Whatever may be the technical and legal position taken in the past, I believe the time has now come when official recognition should be given to dissenting or minority reports.

Some hon. Members: Hear, hear!

Mr. Brewin: The great growth in the number of committees, the development of the committee system, the importance of the matters referred to committees, and the scholarly investigations of important subjects sometimes made by the committees through the hearing of witnesses have made it timely that we look very carefully at this rule which seems to provide at present that minority reports are not to be tabled. It is ridiculous to suppose that these committees are in fact unanimous in their findings. Yet the filing of only one report creates the impression that there has been a unanimous point of view; this is a misleading impression.

The committee we are now discussing has spent months studying the whole question of the fundamental law of Canada, namely the constitution of Canada. If my recollection is correct there are some 100 recommendations in the report, and it would be extraordinary if the members of the committee, representing as they do not only the different parties but all regions of Canada, came to a unanimous decision on all these recommendations. Yet the minority views may have very great value when the House comes to review this fundamentally important subject. They should also be of very great value to the public in its concern about the fundamental framework of all our parliamentary and governmental activity.

I shall cite very briefly at least two historic references to instances where dissenting reports later became the orthodox opinion of the majority. One was the case of a great theologian named Athanasius who stood out against 300 of his colleagues and pronounced a theological doctrine which eventually was accepted by the councils of the church and is now incorporated in the orthodox doctrines of the church. Another example is the dissenting opinions of two great United States justices, Mr. Justice Hughes and Mr. Justice Brandeis, whose dissenting opinions in the United States Supreme Court became the prevailing opinion of the whole court and expanded tremendously the field of civil liberties and the scope of the Bill of Rights in that country.

• (1430)

I understand that our present rule is that a committee, provided a majority of its members agree, may refer to a minority view if it wishes to do so. I would suggest that the responsibility for expressing minority views should be on those who hold such views. If the rule, through some technical, historic background, is that no minority report can now be presented, I urge that it be considered by the appropriate committee and changed. I say that it will be of value to the public discussion of fundamental issues if viewpoints are stated clearly. Indeed, a unanimous report,

were it truly unanimous and not just made to appear unanimous, may have very great value.

In this particular committee I was impressed with the degree of unanimity on many fundamental issues of the members on that committee representing the Senate and the House of Commons from every corner of Canada. Yet at this moment under the present rule we do not know which of these 100 recommendations have the unanimous support of the whole committee.

I have not tried to argue this matter on a technical basis, but I say that a modern, intelligent, commonsense rule would permit minority voices to be heard in these reports.

Some hon. Members: Hear, hear!

Mr. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I want to support firmly the point of order raised by the hon. member for Charlevoix (Mr. Asselin) and supported by the hon. member for Greenwood (Mr. Brewin). As a member of this committee who has a minority report that is not the same as that of the hon. member for Charlevoix and the hon. member for Matane (Mr. De Bané), I think we are perpetrating a complete fiction by continuing the present system. Here we have a committee of 30 members representing four political parties from all the regions of Canada, composed of not only members of parliament but also ten senators.

An hon. Member: Wow!

Mr. Nowlan: Live ones?

Mr. Hees: It is hard to tell.

Mr. Allmand: Like other hon. members who have spoken, I feel that if we are truly going to contribute to the debate on the constitution, or on any other subject which is dealt with by a report, the serious minority views that some members of the committee may have after studying the situation should be attached to the report, published with the report and distributed with the report so that all persons who read that report will also be made aware of the principal minority positions that are being put forward by those members. Let me point out that in most deliberative bodies such as royal commissions and task forces there is a place for minority reports. Our Supreme Court and Courts of Appeal publish minority decisions.

I urge the House to accept the minority reports for tabling today. As I said, I have one as well. We should allow these reports to be part of the great debate on the constitution.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I must speak to this point of order, since we are obviously much concerned with it.

Generally speaking, it is not usual—and I agree with you on this—to allow the submission of a minority report together with the formal report of a committee. We know this rule applies to both standing and joint committees, as well as to special committees of this House. This is the case, for instance, of the Special Joint Committee of the Senate and of the House of Commons on the Constitution of Canada.

[Mr. Brewin.]

Furthermore, according to the practice, dissident members may express their views in at least one way, that is—still according to the practice—in the report of the committee.

In this regard, I refer the Chair to paragraphs 26 and 27 of Issue No. 31 of the proceedings of the Standing Committee on External Affairs and National Defence.

In fact, Mr. Speaker, one reads, and I quote:

> Some members of the Committee feel that they are not able to concur with the Committee's findings, even though they approve a number of specific conclusions.

Such is the situation of the dissident members of that committee.

In paragraph 27, one reads, and I quote:

> These members are also unable to agree with the underlying tone of the policy paper in its repudiation of the earlier idealistic internationalism in foreign affairs.

Mr. Speaker, within the standing committees of the House, the members were able to express their views, without being named for that reason, and, in the official report, account was taken of their disagreement. Their views were even printed, something which this committee has not done.

Mr. Speaker, in Citation 318 of the Fourth Edition of Beauchesne's Parliamentary Rules and Forms, on page 642 of the Eighteenth Edition of May's Parliamentary Practice and on page 471 of the Fourth Edition of Bourinot's Parliamentary Procedure, it is provided that members may not present minority reports.

That is one thing. Another was accepted on June 26, 1971, when the report of the Standing Committee on External Affairs and National Defence was submitted: in the majority report, a dissident opinion could be expressed without naming the hon. members, this having been requested by the hon. members for Matane, (Mr. De Bané), for Charlevoix (Mr. Asselin) and others, but it was not taken into consideration by most of the committee members. Mr. Speaker, the former made their views known within the committee and asked for the inclusion in the report of the constitutional principle of self-determination. I quote an extract of the said report:

> This matter gives rise to strong exchanges of views, but the inclusion of this right in the Constitution has always been refused as principle.

And this principle was not included in the report even though the request was made several times.

Mr. Speaker, here is another inportant argument. As was the case with the report of the Standing Committee on External Affairs and National Defence, the members of the committee on the constitution, if I am not mistaken, asked several times that their differences of opinion be put on the record in the report, without mentioning the names of the members concerned; as usual, this was rejected. Thus, we ought to say a word about the rights of the minority.

Issue No. 31 of the Committee on External Affairs and National Defence does mention a fact that we should explain. That report indeed recognizes the right of hon. members to express different views and sometimes even views that are opposed to those of the majority, and the right to put these views on record in the majority report,

which has been refused by the majority of the special joint committee on the constitution. That is the question of privilege we are raising today.

It therefore follows that when discussing a revision of the constitution we are dealing with a substantial question. It is clear that such discussions involve, not only for Quebec but for all other Canadian provinces, the right of self-determination. However, hon. members have no other channels for stating their views than the normal legislative institution, which they control. They are therefore muzzled and unable to express their opinions, even diverging, otherwise than by their remarks or their vote within the committee—neither in the report nor in the House.

According to the normal regulations to which I referred previously, the Standing Orders obviously do not as yet authorize minority reports, a fact to be deplored in 1972, an era of such critically serious problem. And, what is worse, in this case the majority report deliberately ignores dissidence.

The procedure established for the Committee on External Affairs and National Defence represents an eminently noteworthy precedent and in my opinion dissident members have been denied their fundamental rights.

In fact, it might happen that a group of members of the Finance, Trade and Economic Affairs Committee, engaged in a study of the Canadian banking system, would want its opinions on monetary reform to be taken into account. If a similar right is denied today to members of the Committee on the Constitution, it will mean, to all intents of purposes, that members of the Finance, Trade and Economic Affairs Committee would likewise be unable to bring forward the concept of a monetary reform through the channels of the parliamentary institutions they control. Thus, their only means of having their views considered would be through action outside the House and the committees, which is quite incompatible with the definition of Parliament, a democratic institution in the highest sense of the word, where the minority is and should continue to be respected. Under that system, the Canadian people can express their views through their spokesmen, the members of Parliament.

This shows how important this question is. We are now dealing with a basic issue which the Chair must take into consideration when it renders its ruling.

We could also mention the reports of standing and special committees with which the government disagrees. What becomes of those reports? They remain on the shelves. And then the majority of the committee is muffled and stifled in favour of the silent majority in the House.

This is why members of our party wish to support dissenting members and to insist strongly that the rights of the minority be respected in the report without the names of the members involved being disclosed.

• (1440)

[*English*]

Mr. Ian Wahn (St. Paul's): Mr. Speaker, I should like to support the basic principle expressed by the hon. member for Charlevoix (Mr. Asselin). I should also like to emphasize that it should be made clear that this principle extends not only to special committees but also to the standing committees of this House—

Some hon. Members: Hear, hear!

Mr. Wahn: —such as the Standing Committee on External Affairs and National Defence to which reference has been made. We faced this problem in that committee on a number of occasions. We could find no specific precedent which would prevent the expression in our report of minority points of view, although there seemed to be a general feeling that the House did not recognize minority reports from committees. On investigation we could find no specific precedent that would prevent minority views being expressed in our reports. Therefore we made provision in several of them for minority points of view to be recorded in the main body of the reports.

We did see that some confusion might result and that the system might be open to abuse if the principle were adopted that minorities could publish separate reports on their points of view at public expense, but we did not feel that this same objection could apply where the views of the minority were recorded within the main body of the report. This was the procedure we adopted. It was based on our experience that, if we refused to permit a minority to express its point of view in the main report, that minority simply prepared a report in any event and then gave it to the press. It seemed to us much better that the minority point of view should be summarized and discussed within the committee and form part of the main report rather than have this informal procedure followed.

We think that the procedure we have adopted works well and we hope that Your Honour's ruling will recognize it as a proper procedure and that it will be extended to all the standing committees of the House.

Mr. David MacDonald (Egmont): Your Honour is receiving a great deal of useful advice and I am not going to prolong this matter unduly. One of the points raised earlier was the question of whether there was sufficient precedent within our parliamentary tradition or whether it was possible within the foundation of our parliamentary system for there to be such minority reports. Without repeating the excellent arguments put forth for the acceptance of such minority reports, I think it might be useful to consult not the Mother of Parliaments in this case but one of our sister parliaments, that of Australia. In the Senate there, which is an elected body, minority reports are permitted. In Australian Senate Practice, third edition, 1967, the following is recorded at the conclusion of Standing Order 311 relative to the preparation of a draft report:

> A protest or dissent may be added to the report.

It goes on to say that the Senate considered there was considerable value in minority reports.

I think it is right and proper, as the chairman of the Standing Committee on External Affairs and National Defence has stated, that such minority reports should be included from time to time where it seems appropriate. I shall not repeat the arguments put forward by the hon. member for Greenwood (Mr. Brewin), the hon. member for Charlevoix (Mr. Asselin) and others with respect to the

importance of this question in relation to a matter that is so fundamental to the country.

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, I have no hesitation in rising this afternoon to support unreservedly this submission and the request of the hon. members for Charlevoix (Mr. Asselin) and Matane (Mr. De Bané) so that this report can be tabled before the House.

Reference was made to the importance of our constitutional future in relation to the report produced by the committee and it is clear also in my mind that we have recognized that there could be no unanimity on this committee. A minority report is not normally acceptable to the House. I think however that one must consider the implications of the particular report that is being presented to us. I know that traditionally minority reports have not often been tabled, although it is recognized that precedents have existed.

Mr. Speaker, to justify the tabling of such a report, I should like to lay strong emphasis on the importance of the submission that is being made to the House by the hon. members for Charlevoix and Matane.

Members from Quebec and all others obviously need the information contained in the report which could be titled: Everything that a Member of Parliament Should Know. It faithfully reflects the situation in a province unsure of a country's future. I therefore believe that the clear and distinct conditions and explanations it contains would enable our English-speaking friends and colleagues to understand that the report is invaluable as far as the constitutional future of our country is concerned.

I am convinced that I had to make those few comments in order to justify the presentation of the report and that the federal government and Parliament today had the opportunity of proving themselves. Rejection of the report could be interpreted by citizens of one province as the refusal to acknowledge and listen to the truth which should have been exposed in the House a long time ago.

For all those various reasons, I dare hope that all members of the House will co-operate for unanimous concurrence in the report.

[*English*]

Mr. Speaker: Order, please. I do not intend to limit in any way the discussion of this very interesting and important point of order but as the afternoon wears on I would hope that all hon. members would want to attempt to limit their contributions to the procedural aspect of the discussion. I am sure this is what has been done pretty well until now. Hon. members may agree that to this point we have considered most of the procedural arguments which might be advanced in relation to the point of order raised by the hon. member for Charlevoix. Having said that, it is certainly not my intention to limit the discussion and I shall listen to further argument on the procedural aspect of the matter.

[*Translation*]

Mr. Georges-C. Lachance (Lafontaine): Mr. Speaker, you are perfectly right when you say that the comments which have been presented may have exhausted the matter, but on the other hand, I would like to draw your attention to the fact that there is another precedent, in 1964, and I think that it is worth mentioning.

When the Special Committee on the Flag included in its report the votes taken during its proceedings, it was then extremely important that hon. members knew that votes had taken place, and I even think that the names of hon. members who had voted on those occasions were listed in the report. I am not absolutely sure of that, but the result of the votes was in that report.

I was sitting on the Special Joint Committee of the Senate and the House of Commons on the Constitution, and I have personal remarks to make in that connection. These comments should be added as an appendix to the report or be included in it.

I read the report prepared by the hon. member for Charlevoix (Mr. Asselin) and the hon. member for Matane (Mr. De Bané). I fully agree with their remarks, and I would also like my report to be tabled with the majority report.

• (1450)

[*English*]

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, there were, I believe two aspects to the point of order raised by the hon. member for Charlevoix (Mr. Asselin). If I may deal with the first aspect at the beginning, it was to the effect that dissenting opinions expressed in the committee have not been recorded in the report which has already been tabled. It has been stated that that was the practice followed by the committee on external affairs, as verified now by the chairman of that committee. It seems to me that was the line of argument taken by the hon. member for Egmont (Mr. MacDonald) also. On that particular aspect of the problem I am not proposing to argue, because it is a matter that ultimately must be resolved in committee and it does not arise in this case because the report now before the House does not contain any dissenting opinion. It may be that in future, through examination in the committee on procedure, we ought to devise a method or recognize a procedure by which dissenting opinion can be set out in the main report of a committee.

I believe we ought to reflect for a moment on the nature of the parliamentary process and on the nature of the reference that has been given to this committee and which was discharged today. The House of Commons asked the committee to study and bring forward recommendations on the constitution of Canada for consideration by the House. In the normal course the decision, either in this chamber or in a committee of the House, is rendered through the decision of the majority. The decision of that majority, whether in a committee of the House or in the House itself, becomes the decision of the House itself. It is recognized in the constitution of Canada that the majority decision becomes the decision of the House. The committee, having received a reference from the House of Commons, has deliberated. The majority has reached conclusions that have become the report of the committee itself as presented to the House. That is the traditional approach that has been followed pretty regularly, with the exception that has already been noted, and it may be an exception that we ought to continue in the future.

It is urged today that, in addition to receiving the report of the committee itself, the House ought to receive not only one minority report which is proposed to be laid on the table by the hon. member for Charlevoix and the hon. member for Matane (Mr. De Bané) but a further minority report from the hon. member for Notre-Dame-de-Grâce (Mr. Allmand) and, finally, a further report from the hon. member for Lafontaine (Mr. Lachance). In other words, the House, having asked the committee to simplify its task by studying the problem and bringing forward conclusions that would aid the House, instead of receiving that assistance is to be confronted not with one main report of the committee but with four reports. That is really what is proposed.

An hon. Member: Five reports.

Mr. MacEachen: Five reports.

Mr. Knowles (Winnipeg North Centre): Are you people opposed to ideas?

Mr. MacEachen: It seems to me, if that proposition is admitted, that it will lead inevitably to the conclusion that every member of a committee is entitled to have his report tabled in the House. If that logic is admitted it means that, if one member can move concurrence in his report, every other member can also move concurrence in his report and there will be 10 or 15 contradictory propositions before the House at the same time. I believe that is not what is contemplated either in the minds of hon. members or by the rules. What is contemplated is that when the House receives a report from a committee it will receive the majority conclusions and that will be dealt with by the House. That does not preclude the right of the minority to make heard its dissenting voice, as undoubtedly was done in the committee and as can be done in the committee and as can be done in the House if and when a motion to concur is moved in the House. It is not a formula to eliminate dissent or the right of minorities to express their opinions. It is a practice that allows the House, with the greatest possible simplification of procedures, to deal with one report and still preserve the right of others to make their views known.

I therefore submit, Mr. Speaker, that our present practice is certainly more valuable and more useful to the House than any practice would be that contemplated any member of a committee having the right to table a report, have that report considered and a motion of concurrence moved with respect to it. I realize that there may be strong views as to the future course the committee system ought to take. I believe that the consequences of this matter are so important that it ought to be considered further. For the moment, however, I think we ought to maintain what has been the tried and tested practice followed by the House for a long time.

Mr. Speaker: Order, please. I notice that there are still as many as six hon. members who want to take part in this interesting debate. As I said, I do not intend to limit the debate because this is such an interesting and important point, but I hope that hon. members will make their contributions as brief as possible.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I agree to some extent with what the President of the Privy Council (Mr. MacEachen) has said but I would differ in this respect. One of the problems encountered today arises from the fact that too often when committees consider their reports they consider them in camera. The motions that are made are usually made in camera. Opportunities for visible expression of dissent are not available to the extent that they would be in other circumstances, particularly in the House. In addition, Mr. Speaker, another problem we are confronted with is that too often committee reports are not discussed or debated in the House. There is a certain opportunity, of course, to discuss them but it is a limited one. An opportunity for hon. members who dissent from a report to move motions expressing their dissent might be one way of overcoming the problem to which my hon. friend from Charlevoix has referred. I think the right of dissent must be preserved. I know it is not held in high esteem across the floor, at present.

Some hon. Members: Oh, oh!

Mr. Baldwin: I feel, however, that we should try to preserve it as much as possible.

Mr. Mark MacGuigan (Windsor-Walkerville): Mr. Speaker, I am pleased to have this opportunity to address a few words to you on this matter, before you render your decision. As much as I might be tempted to agree with the generally persuasive words of many hon. members on this subject, especially those of the hon. member for Greenwood (Mr. Brewin) and the hon. member for Notre-Dame-de-Grâce (Mr. Allmand), I submit that the question which is raised today is not precisely the question they have been discussing. If, as I believe that the practice of the house is fairly well established, this is not the time for us to debate whether or not that practice ought to be changed. May I draw to your attention a discussion that took place in the committee itself on this question. On May 5, 1971, the hon. member for Notre-Dame-de-Grâce moved a motion which was subsequently adopted:

> Whereas this committee had discussion as to whether or not members should have the right to append personal minority reports to a committee report and whereas it was suggested that this was contrary to the rules of the House of Commons and the Senate,
>
> Be it resolved that this committee request the House of Commons and Senate for a clarification on this point and if such a right is contrary to the rules of the House and the Senate, that the rules be changed to allow for such personal minority reports.

In pursuance of this matter I contacted the Table and received in reply a letter from the Clerk, which it might be proper for me to table this afternoon. The substantial point made in that letter was that no known precedent exists for a minority report either in our practice or in the practice at Westminster. Citations were given from both Beauchesne and May. I will not take the time this afternoon to read the letter or to indulge in a lengthy procedural argument because I believe the President of the Privy Council (Mr. MacEachen) has already satisfactorily dealt with this part of the question.

• (1500)

I do not believe the members of the committee felt they were not at liberty, if they wished, to include in the report views which dissenting members had or to mention the

names of those members. The fact is that the committee, in pursuance of the jurisdiction given it by the House, decided not to follow that course. The report I presented this afternoon is the report that was adopted by the majority of the members of the committee. The committee has, as it should, made the decision to print only the majority report. I should say, however, that in the text of the report the committee acknowledges there are dissenting opinions. In several places in the report there are references to positions taken as being the positions of the majority rather than of all members of the committee.

In conclusion, with regard to the matter of incorporating names and the particular feelings of individual members on questions, the committee has already made its decision and I submit that the House has no option but to accept the decision which has already been made by the committee.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I shall heed your admonition that comments be brief. In response to part of what was said by the President of the Privy Council (Mr. MacEachen), I think there should be in our minds at any rate a distinction between legislation when it is referred to a committee and a subject.

When a bill is referred to a committee, that committee has to make its report in clear terms, yes or no. However, when a subject is referred to a committee, surely what this House wants is ideas. I do not see anything wrong with a report or reports coming back from a committee to the House which give to the House the benefit of not only the ideas of those who comprise the majority but the benefit of the ideas of the minority members of that committee.

I thought another point which the President of the Privy Council made or sought to make was a bit of a red herring. He suggested that if there were four, five or six reports we could have a series of debates on motions to adopt those various reports and that would create a great deal of chaos and confusion.

If we are going to meet this problem effectively, it is obvious we are going to have to make some rule changes. Certainly we could provide in any rule that it is only the majority report that is debated on the floor of the House. At the present time the only provision for concurrence by motion is in a report, not in a minority report or a minority opinion which might be tabled at the same time.

I have no hesitation in saying that I realize Your Honour will have difficulty, particularly in view of the clear language of citations 318 and 319 of Beauchesne's Fourth Edition, in ruling that the hon. member for Charlevoix (Mr. Asselin) or other members have the right today to lay on the table their minority opinions or minority reports. However, I want to underline two things that have been said during the course of the debate this afternoon.

The rules, including citations 318 and 319 to which I have just referred, do not deny to any committee the right, by a majority vote, to include in its report the opinion of the minority. The hon. member who spoke just before me, the chairman of the committee, said that his committee decided not to do that. However, the hon. member for St. Paul's (Mr. Wahn) earlier reported that his committee had decided to take that course of action.

Perhaps I may be digressing for 30 seconds from the point of order, but I should like to say this. With all the talk we hear from the other side about participation in the process of government and all the talk we hear about the importance of the committee structure, is it not time that committee work was made something other than monolithic? Is it not time that committees had the decency, courtesy, foresight and intelligence to report back to the House not just the opinion that got the largest number of noses when the count was made, but the opinions and ideas that came out of the discussion in the deliberations of that committee?

I make a strong appeal to committees, to this one and to others, to update themselves and think of committees not just as instruments of the government there to endorse one opinion only but as instruments of parliament that have been given a job, to bring ideas back to the House of Commons.

As I said in my opening remarks, I see a difference between legislation and subjects which have been referred to a committee. In the case of subjects, surely we want all the ideas we can get that will be good for the discussion that goes on in parliament and in the country.

The last thing I should like to do is concur in the suggestion that others have made that surely the time has come to make any changes in the rules that are required in order to update ourselves in this regard. If this means that the Standing Committee on Procedure and Organization should look into this matter, I hope it will be given the opportunity to do so right away.

Mr. Pierre De Bané (Matane): Mr. Speaker, first I would like to comment on what was said by the chairman of the committee, the hon. member for Windsor-Walkerville (Mr. MacGuigan). He made several references to the proceedings of the committee. His argument serves the point raised by the hon. member for Charlevoix (Mr. Asselin). He said that when a member suggested that his opinion be included, the majority decided, that when a member suggested that votes be registered, the majority decided.

In the House of Commons, everyone at least has the right to have his opinion made public. It is recorded in *Hansard*. As hon. members know, when a committee report is drafted it is done in camera. The public do not know what has been said there. It is not recorded. When a member moves a motion or votes for or against something in the House, it is recorded and available to the public. The stand that each member takes is known.

[*Translation*]

Now, Mr. Speaker, the point raised by my hon. friend, the co-chairman of the committee seems to concern us.

Mr. Speaker, I think we all appreciate the same values—that states, countries, forms of government, political structures and especially the number of reports are sacred and history is there to prove it. And how! What is eternal, precious and must be saved at all costs is the primacy of man, the principle of freedom, equality and the right to defend our own opinions within legal structures.

Mr. Speaker: Order. I take the liberty of pointing out to the hon. member that as much as possible he must restrict himself to the procedural aspect of the issue under consideration. He now seems to be expounding the philosophy of the parliamentary government and I do not think that is the point raised at the present time.

Mr. De Bané: As I was saying, Mr. Speaker, my second point is that committee reports are always prepared *in camera* so that members do not have the opportunity of expressing their points of views, as is done in any other debate of this House. Of course, one may reply that members who have minority reports to submit can always forward them to the media, but obviously this is not the point because members enjoy the privilege of having their reports recorded for all time in the proceedings of Parliament.

It can also be said, as the co-chairman of the committee suggested, that the report states a few times—especially in the communiqué—that the majority has decided a certain thing. They do not say "unanimously". But of course saying "by a majority" does not indicate who voted for and which motions have been rejected by a majority.

I would like to end by quoting to Your Honour, further to the quotation of my hon. colleague for Charlevoix regarding paragraphs 26 and 27 of the 1971 report by the Standing Committee on External Affairs and National Defence, the Report of the Select Committee on Overseas Aid, Session 1970-71 of the House of Commons in London.

At page 67 of the 1971 report, the name of the sponsor of each motion is given in full and then it is stated. The amendment was made, the Committee divided—"Yeas", so many, "Nays", so many.

And when the vote is tied, the chairman has a casting vote.

So, when the joint chairman of the committee argues that there are no precedent here or elsewhere, the hon. member for Charlevoix mentions a precedent from this House, the hon. member for Egmont (Mr. MacDonald) mentions one from Australia and I mention one from the Mother of Parliaments.

• (1510)

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, the problem with which we are dealing now is of the utmost interest to me. I listened with great attention to the remarks of the hon. member for Charlevoix (Mr. Asselin) and also to those of the President of the Privy Council (Mr. MacEachen).

The issue is one of procedure and the function of committees, according to what the President of the Privy Council said, is to examine a particular question in order to further the work of the House. In a committee, the question is given closer scrutiny while often the House can proceed with other measures.

I always understood that committees had a responsibility but I never understood, Mr. Speaker, that some committee reports are discussed by Parliament and others are never discussed.

If committees have been established for studying specific problems, I think this was to throw more light on a subject after a special study. So, if this is the purpose, when a committee is tabling its report and dissenting members cannot have their viewpoints stated in this report, I think the House and the government are deprived of valuable information.

Since Parliament may accept or reject a committee report and in view of the serious nature of the problem and of the Canadian political climate, Parliament should stand as an example to the whole country and respect any and all minorities.

Under the present circumstances, the tabling of a minority report is requested. We are not aware of its content. So if the government wishes to know the viewpoints of all the committee members we should logically accept both the majority and the minority reports. This would be a fine example to the whole country and government would be able to know the evidence given to each committee member everywhere in the country.

Finally, I must say that I have already been a member of a most important committee which spent tax money to travel throughout the country. I had no opportunity of having my views incorporated into the report. I was quite disappointed and this report which was tabled in the House has never been called by the President of the Privy Council to be debated.

That, in my opinion, is the procedure which should now be followed. I readily agree with the hon. member for Charlevoix and ask the Chair to accept the minority report.

Mr. Speaker: I thank hon. members of every party who, for the guidance of the Chair, have stated some sound views, I am sure, which I will try to take into consideration when giving a ruling on the point of order of the hon. member for Charlevoix (Mr. Asselin).

The hon. member has indicated that he was rising on a point of order before concurrence in the report.

I wish to point out immediately that the matter has nothing to do with the approval of the report. A motion for concurrence in the report will be put forward in due time, I suppose, either by the chairman of the committee or another member on his behalf or a member speaking on behalf of the committee members.

We are now discussing the tabling of the report and we must take for granted that it has already been tabled and that it is now before the House.

If I understand correctly, the hon. member for Charlevoix rose on a point of order because he would like to know whether minority reports can be tabled or should be concurred in at the same time as the majority report. No need to indicate to hon. members that this would be an entirely new practice.

Members who have participated in this debate on procedure have referred to parliamentary practice in Australia. The hon. member for Matane (Mr. De Bané) has referred to the procedure in Great Britain, but no precedent has been quoted to me to the effect that I could allow the submission of one or more minority reports.

Members have largely quoted, I admit, sections and precedents which carry weight in such cases. Paragraph

319 of the 4th edition of Beauchesne's Parliamentary Rules and Forms has been quoted to this House:

The report of the committee must be signed by the Chairman. No other signature should be affixed to a report for the purpose of showing any division of opinion in the committee, nor can it be accompanied by any counter statement from the minority, as such is unknown in British parliamentary practice.

I would add, by the way, that it is also unknown in Canadian parliamentary practice.

I keep on quoting:

The Chairman only signs by way of authentication on behalf of the committee. He should sign even if he dissented with the majority of the committee. No minority report should be made to the House.

It should be noted that Bourinot refers to the fact that in certain circumstances, a minority report has been attached as an appendix to the majority report of the committee.

It must be indicated also that the precedent quoted to justify this practice dates back to 1874. It might perhaps be useful if I were to read this quotation from the 4th edition of Bourinot's. Here it is:

• (1520)

[*English*]

No signatures should be affixed to a report for the purpose of showing any division of opinion in the committee; nor can it be accompanied by any counter-statement or protest from the minority, as such a report is as unknown to Canadian as to English practice. When the chairman signs a report, it is only by way of authentication. In 1879, a report of a dissenting member was brought in and appeared in the votes, but attention having been called to the irregularity of the proceeding, this minority report was ordered not to be entered on the journals. The rule with respect to such matters, however, has been more than once practically evaded by permitting a minority report to appear in the appendix to the report of the committee;

[*Translation*]

This is where reference is made to a precedent dating back to 1874.

On the other hand, hon. members, especially the hon. member for St. Paul's (Mr. Wahn) and the hon. member for Lotbinière (Mr. Fortin) have stated that in recent years, especially in 1971, the report of the Committee on External Affairs and National Defence included the dissident or minority opinions of some members.

I find nothing in the precedents established by the House to prevent such a procedure. What the Standing Orders and parliamentary practice forbid is the tabling of minority reports. It is somewhat in the nature of an *obiter dictum* to suggest that a report may include dissident or minority opinions.

But what reaches us eventually is a single report, the majority report, and the report of the Standing Committee on External Affairs and National Defence which was presented last year contained dissenting opinions of course but only one report was presented and no suggestion was made that the House should receive at the same time a second, third, or fourth minority report.

In view of the circumstances, I really cannot see how I could ignore this long parliamentary tradition and allow the hon. member for Charlevoix, the hon. member for Lafontaine (Mr. Lachance), the hon. member for Greenwood (Mr. Brewin), in short all hon. members who said that they had minority reports to present, to table those minority reports.

[Mr. Speaker.]

In very eloquent terms, the hon. member for Greenwood suggested that time has come to change the Standing Orders. It is possible. Some members have said that time has come for Parliament to give members of a committee the opportunity of expressing their diverging points of view in a minority report. Perhaps, but unfortunately it is not up to the Chair to make such a decision.

The hon. member for Greenwood and, I believe, the hon. member for Winnipeg North Centre (Mr. Knowles) suggested it. The proposal is valid, interesting and could easily be studied by the Procedure and Organization Committee. Many times, I took the liberty of recommending that this committee examine some parliamentary practices. Here is one which I think could be usefully studied by the committee.

Having said that, I do not think I can comply with the hon. member's request that the minority reports be now presented.

Hon. Martial Asselin (Charlevoix): Mr. Speaker, when I raised on a point of order, I reserved the right to move the appropriate motion pursuant to Standing Order 43. Without contemplating an appeal from your decision, far from it, I would like to obtain the unanimous consent of the House.

May I move my motion immediately or should I do so on motions?

Mr. Speaker: Obviously, the hon. member should wait for motions, which will be called in a moment, I think.

* * *

HOUSE OF COMMONS

PRESENTATION OF MINORITY COMMITTEE REPORTS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Hon. Martial Asselin (Charlevoix): Mr. Speaker, pursuant to Standing Order 43, I ask unanimous consent of the House to move a motion providing for hon. members who so desire to present minority reports on the Canadian Constitution.

Mr. Speaker: The House has heard the motion presented by the hon. member for Charlevoix. That motion requires the unanimous consent of the House, pursuant to Standing order 43. Is there unanimous consent?

Some hon. Members: No.

Mr. Speaker: As there is no unanimous consent, the motion cannot be put.

Mr. André Fortier (Lotbinière): Mr. Speaker, I rise on a point of order.

It seems that we have reached a point where a minority of one single hon. member can defeat the majority.

Mr. Speaker: Order, please.

(*English*)

GOVERNMENT PUBLICATIONS

ALLEGED MISLEADING STATEMENT IN "CANADA 1972"—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, under the provisions of Standing Order 43 I ask unanimous consent of the House to move a motion concerning the dissemination of seriously misleading statements in a document published under the authority of one of the ministers of the Crown. I move, seconded by the hon. member for Egmont (Mr. MacDonald):

That the publication Canada 1972 and particularly the statement on page 105, "Defeat of a major government bill will ordinarily be considered a vote of confidence . . . but the cabinet can choose to consider any such defeat not decisive," be referred to the Standing Committee on Privileges and Elections for examination as to any real or implied diminution of the rights and priveleges of this House or of its members.

Mr. Speaker: Hon. members have heard the motion. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There appears to be a lack of unanimity. The motion cannot be put.

* * *

AGRICULTURE

POTATOES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. David MacDonald (Egmont): Mr. Speaker, I had hoped that the Minister of Agriculture (Mr. Olson) might have been making a statement on motions today, but in light of the fact that he is not I request unanimous consent of the House under standing Order 43 to move the following motion of urgent and pressing necessity, seconded by the hon. member for Malpeque (Mr. MacLean):

That in light of the breakdown in communication between the potato producers on Prince Edward Island and the Minister of Agriculture, resulting in widespread misunderstanding and anxiety—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I have serious doubts about the terms of the motion proposed by the hon. member. It is obviously argumentative. Perhaps the hon. member might indicate quickly what the rest of the motion is so that it might be put.

Mr. MacDonald (Egmont): In light of the request received today by the minister for his attendance at a mass meeting of growers in Charlottetown tomorrow I move, seconded by the hon. member for Malpeque:

That this House does request the Minister of Agriculture and his officials to attend this meeting so that there may be a resolution of the concern and anxiety about the diversion potato program in the shortest possible time.

Mr. Speaker: The motion requires the unanimous consent of the House. Is there unanimity?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

* * *

RESEARCH ANIMALS PROTECTION BILL

MEASURE TO PROVIDE FOR HUMANE TREATMENT

Mr. D. W. Groos (Victoria) moved for leave to introduce Bill C-171, to provide for the humane treatment of vertebrate animals used in scientific and industrial experiments, tests or training by recipients of grants from the government of Canada, by agencies of the government of Canada and by persons manufacturing or testing pharmaceutical or biochemical products for sale to the government of Canada or to any of its agencies.

Some hon. Members: Explain.

Mr. Groos: Mr. Speaker, those who have looked at this bill know it has been introduced in the House previously. Its purpose is self-evident. I am hoping that this time the House in its wisdom will see to it that the bill is passed.

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

• (1530)

[*English*]

ORAL QUESTION PERIOD

THE CANADIAN ECONOMY

INQUIRY AS TO DATE OF PRESENTATION OF BUDGET AND ANNOUNCEMENT OF POLICY ON FOREIGN OWNERSHIP

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question I should like to direct to the Prime Minister. On Tuesday, in answer to a question from the Leader of the Opposition regarding whether or not the government intended to introduce a budget this spring, the Minister of Finance used the following words:

I cannot tell the hon. member if or when there will be a budget.

Can the Prime Minister advise the House and the country whether or not the government intends to introduce a budget this spring, and also would the Prime Minister advise the House when the government intends to make known its policy on foreign investment in Canada so that the uncertainty surrounding both these matters may be removed.

Mr. Speaker: Order, please. It seems to me the hon. member is asking a double-barrelled question, if not two questions. I think hon. members, when they have the floor, should make an effort to ask only one question at a

time. Perhaps the hon. member might allow the Prime Minister to reply to the first question.

Right Hon. P. E. Trudeau (Prime Minister): I cannot tell when, Mr. Speaker.

Mr. Hees: Then, Mr. Speaker, my supplementary is: Would the Prime Minister advise the House when the government intends to make known its policy on foreign investment in Canada, and when he is answering that would he give the House something more definite than the word "soon" with which we have had to content ourselves for the last eight months.

Mr. Trudeau: My answer was in reply to both questions, Mr. Speaker.

Mr. Hees: I have a final supplementary, Mr. Speaker. Is it possible for the people of Canada to come to any other conclusion than that the government intends to duck both these important issues until after the next election for obvious political reasons?

Mr. Speaker: Order, please. The hon. member for York South.

* * *

GOVERNMENT ADMINISTRATION

REPORT OF INTERDEPARTMENTAL COMMITTEE ON PARTICIPATION—STEPS TAKEN BY GOVERNMENT TO IMPLEMENT RECOMMENDATION TO ASSIST CITIZEN PARTICIPATION PROGRAMS

Mr. David Lewis (York South): Mr. Speaker, I wish to ask the Prime Minister some questions arising out of a confidential report which is in my possession dated October 18, 1971 and presented to cabinet by the interdepartmental committee on participation which was established following a cabinet decision of December 23, 1970. In view of the Prime Minister's statement yesterday to a group of Ottawa highschool students and his repeated assertion that citizen participation in government is a priority with him, I wish to ask the Prime Minister whether the government has taken any steps to implement the conclusions and recommendations contained in the report of the interdepartmental committee to which I have referred.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, of course I do not have that particular interdepartmental committee in mind, but the House knows the government has taken a great many steps to implement its belief in participation. If you will allow me sufficient time, Mr. Speaker, I can answer this question. We have, for instance, increased the facilities of opposition members in participating in the parliamentary process by allowing, at public expense, the hiring of research people. We have increased participation in the country by increasing the number of white papers.

Mr. Speaker: Order, please. I appreciate the position of the right hon. gentleman who is trying to reply to the question of the hon. member for York South. He might require more time than is usually required to make an answer during the question period. I would think this kind

[Mr. Speaker.]

of information normally ought to be given to the House by way of a statement on motions.

Mr. Lewis: I have a supplementary, Mr. Speaker. With respect may I say I did not ask the Prime Minister to indicate the steps. I asked him whether any steps have been taken to implement the recommendations. I think I should also point out that funds have not been provided only to opposition parties for research purposes, but also have been provided to the government party—

Mr. Speaker: Order, please. The hon. member will appreciate that this is debate. Perhaps the hon. member might now ask the supplementary.

Mr. Lewis: —not to mention his own office. I want to ask as a supplementary whether the government has created participation groups to assist departments and agencies of government to develop citizen participation programs, and whether the Public Service Commission has been asked to implement a participation training program so as to give Public Servants a greater awareness of their duty at least to the citizens of Canada?

Mr. Trudeau: Mr. Speaker, the hon. member knows there are a great many funds expended by the Secretary of State in the area of encouraging all kinds of groups across the country to participate. He knows, for instance in the case of Indians, that the Minister of Indian Affairs and Northern Development has supplied a great deal of funds to increase the participation of that group.

Mr. Hees: You are losing your place.

An hon. Member: Is that Dr. Spock's book?

Mr. Hees: Old sulky. He is sulking. He is getting mad. Shame.

Mr. Speaker: Order, please. Perhaps we should try to move a little more quickly. The hon. member for York South apparently has a further supplementary.

Mr. Lewis: I am rising on a supplementary, but before I ask my question I want to rise on a point of order, Sir. I appreciate the great talents our Prime Minister has—

Some hon. Members: Hear, hear!

Mr. Lewis: —talents for acting and dissembling. I appreciate those.

Mr. Speaker: Order, please. I am not sure whether the hon. member has a point of order, but if he has he should indicate what it is. I suggest to hon. members, however, that we should make an effort, by cooperation with one another, to proceed with the question period.

Mr. Lewis: Mr. Speaker, you will forgive me, but if you will wait a moment I will vary the point of order. I wish to say that one talent which ought to be shown by the Prime Minister is courtesy to this House of Commons.

Some hon. Members: Hear, hear!

Mr. Lewis: This deliberate activity of reading a book while he is listening to and answering questions is a piece of disgraceful behaviour, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Speaker: The hon. member may wish now to ask the supplementary question.

Mr. Lewis: Mr. Speaker, I want to ask the courteous and thoughtful Prime Minister—

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Lewis: There is no limit to that stupidity. I want to ask the Prime Minister whether, as is recommended in the report, the government has taken steps to minimize the disadvantages faced by citizens' groups in trying to influence government affairs and government policy as compared with business and professional groups. Has the government taken any steps to minimize those disadvantages or is it contemplating such steps.

Mr. Speaker: Order, please. I trust the hon. member will agree with the Chair that this is a very large question. If the Prime Minister can reply briefly he will be allowed to do so, but I suggest respectfully and kindly to the hon. member for York South that such a question normally calls for a very general statement to be made on motions. Having said that, however, I will allow the Prime Minister to reply to the hon. member's further supplementary question.

Mr. Trudeau: Well, the answer, Mr. Speaker, is of course that the many, many grants given in all the fields enumerated earlier are a demonstration of this.

Mr. Lewis: Mr. Speaker, may I ask one short further supplementary. Would the Prime Minister undertake to make a statement to the House on motions with regard to the report to which I have referred signed by Bernard Ostry, Chairman of the interdepartmental committee and tell us what steps the government has taken if any to implement the conclusions and recommendations in this report.

• (1540)

Mr. Trudeau: Mr. Speaker, it is not my custom or the custom of the government to make statements on the basis of reports to the government which are confidential and which have been obtained by I do not know what means.

* * *

[*Translation*]

UNEMPLOYMENT

SHERBROOKE—DELAY IN PAYMENT OF BENEFITS—WORKING CONDITIONS OF EMPLOYEES

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I should like to direct a question to hon. Minister of Manpower and Immigration.

Inquiries of the Ministry

A few days ago, in the minister's absence, due to circumstances beyond his control I am sure, I pointed out to his parliamentary secretary that a very difficult situation had developed in the Unemployment Insurance regional office in Sherbrooke, namely that the number of employees had been increased by about 25 or 30 per cent on the same premises, and that service to the unemployed was thus greatly reduced, since many of them had been waiting eight or ten weeks now to get their unemployment insurance cheques. Is the inquiry over now and can the hon. minister tell us whether something is being done in order to improve that situation?

[*English*]

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Mr. Speaker, I must admit that the allegation regarding any slowness in the unemployment insurance office in Sherbrooke has not come to my attention, but I will look at it as soon as possible and report to the hon. gentleman.

* * *

INDUSTRY

DOMINION AVIATION—POSSIBLE REFUSAL OF GRANT FOR DEVELOPMENT OF STOL AIRCRAFT—REQUEST FOR STATEMENT

Mr. G. W. Baldwin (Peace River): I have a question for the Minister of Industry, Trade and Commerce. Did the government reject an application by Dominion Aviation, a western Canadian company involved in the Canadian development of STOL aircraft for grants and assistance under any government programs, and if so, in the light of the report of discussions between that company and American interests, including Howard Hughes Industries, for the possible sale of the corporation, will the government now review its decision?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Obviously, I cannot remember every request for research and development grants that comes to my department, and if I did, the hon. member would accuse me of having a hand in the selection.

Mr. Baldwin: In view of the urgency of this issue and the importance of the work in which this company is involved, will the minister give immediate priority to examining this issue to find out whether such a request has been rejected and whether the government intends to review its rejection in order to save this company?

Mr. Pepin: I will do that with great pleasure.

While I am on my feet, may I kill a rumour which was alluded to two days ago by the members for Lachine and Sainte-Marie—

Mr. Speaker: Order, please. If the minister wishes to make a statement, he will have to revert to motions. However, if he is replying to a question which was asked previously, he can do so at this time. I recognize him for that purpose.

An hon. Member: Are you resigning and crossing the floor?

ACTION TO PREVENT REMOVAL OF NORTHERN ELECTRIC FROM MONTREAL

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I wish to answer a question which was raised having to do with the Northern Electric Company in Montreal. The rumour was that the company was about to leave Quebec to go elsewhere. That is not true. I telephoned the president of the company and he told me that even the thought never crossed his mind. As a matter of fact, the percentage of Quebeckers in the company's population is increasing.

Some hon. Members: Hear, hear!

[*Later:*]

Mr. Baldwin: I rise on a point of order, Mr. Speaker. I asked the minister a straightforward, legitimate question and I did not catch his reply.

Mr. Pepin: I said I would do so, Mr. Speaker.

* * *

ADMINISTRATION OF JUSTICE

RELEASE OF YVES GEOFFROY FROM ST VINCENT DE PAUL PENITENTIARY—POSSIBLE CHARGES AGAINST GUARANTOR OF PASSPORT

Mr. Eldon M. Woolliams (Calgary North): I would like to ask the Minister of Justice a question. Has the guarantor of the passport of Geoffroy been charged with any offence?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I know of no additional charge having been laid against another person other than those previously referred to in this House.

Mr. Woolliams: Is that matter under investigation, and if so, will that person be charged?

Mr. Lang: It would obviously be very difficult for me to say very much about any part of that matter without touching on matters which are before the courts, and I think I should refrain from doing so.

POSSIBLE ROLE OF RAYMOND DENIS IN OBTAINING PASSPORT

Mr. Eldon M. Woolliams (Calgary North): What part did Raymond Denis play in reference to obtaining the passport or any other matter with reference to the case?

Hon. Otto E. Lang (Minister of Justice): To my knowledge, no part at all.

[Mr. Speaker.]

[*Translation*]

ROLE OF PAROLE BOARD IN RELEASING MRS. GEOFFROY

Mr. André Fortin (Lotbinière): Mr. Speaker, I should like to ask the hon. Minister of Justice whether the National Parole Board was consulted before Mrs. Geoffroy was released on parole?

[*English*]

Hon. Otto E. Lang (Minister of Justice): I do not think that the question comes within my range of responsibilities.

* * *

EXTERNAL AFFAIRS

FORTHCOMING VISIT BY PRESIDENT NIXON—POSSIBLE ARRANGEMENT TO ADDRESS SENATE AND HOUSE

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I do not want to disturb the Prime Minister in any way from his absorption in reading, but I would like to ask a question which I hope he will not regard as controversial or upsetting to his equanimity. Has the government extended an invitation to the President of the United States on the occasion of his prospective visit to Ottawa to speak to the House of Commons and the Senate, as was the case during my period as prime minister when we had visits from President Eisenhower and President Kennedy?

Right Hon. P. E. Trudeau (Prime Minister): The arrangements between the two countries are not final yet, and I think it would be improper for me to announce them in a unilateral fashion. However, as soon as possible, we will announce the program for the president's visit in Washington and in Ottawa at the same time.

Mr. Diefenbaker: It is not a question of unilateral revelation at all. The Prime Minister does not trust this House because he reads.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: He reads with prima donnal arrogance.

Mr. Speaker: Order, please.

Mr. Diefenbaker: It is a disgrace to the House of Commons.

* * *

NATIONAL PARKS

BANFF—POSSIBLE GOVERNMENT PARTICIPATION IN LAKE LOUISE RESORT CENTRE

Mr. Randolph Harding (Kootenay West): I have a question for the Minister of Indian Affairs and Northern Development. Has there been any federal participation in the Lake Louise project in the Banff National Park, and if so, what is the nature of that participation?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I do not quite understand the question. Lake Louise is located in a national park and the project the hon. member refers to is probably the one that is now under study; tenders have been called and a public hearing was held before we took a final decision.

[*English*]

Mr. Harding: Has any federal money been expended to date on this project, and if so, how much was allocated by the department, how much has been spent, and for what purposes?

Mr. Speaker: I think that the question, which is essentially statistical in nature, should be placed on the order paper.

* * *

AGRICULTURE

POTATOES—POSSIBLE DIVERSION TO FEED STOCK—ATTENDANCE OF MINISTER AT MEETING IN PRINCE EDWARD ISLAND

Hon. J. A. MacLean (Malpeque): I would like to pose a question to the Minister of Agriculture, and ask him whether he is prepared within 24 hours to approve the diversion of surplus potatoes held by the Agricultural Stabilization Board to animal feed, and if not, whether the minister is prepared to have his deputy or himself attend a mass meeting of potato growers in Prince Edward Island tomorrow as requested by the PEI Federation of Agriculture. I warn the minister that potato growers in Prince Edward Island have their Irish up and tomorrow is St. Patrick's Day—

• (1550)

Mr. Speaker: Order, please. The hon. member has asked the question. The minister might be given the opportunity to answer.

Hon. H. A. Olson (Minister of Agriculture): I can advise the House that we have made the preparations that will be necessary for diversion of potatoes to livestock feed if and when that appears to be the most beneficial action to take.

An hon. Member: When?

Mr. Olson: I cannot give an undertaking that it will be done within 24 hours. When I arrived in the House today, I was unaware of this so-called mass meeting that is being called.

Mr. David MacDonald (Egmont): A supplementary question for the Minister of Agriculture. In view of the fact that there has been this request, which perhaps the minister has not yet seen, I wonder whether he can take steps to arrange that either he or his deputy minister meet with the potato growers in Prince Edward Island in order to alleviate much of the misunderstanding and concern that has arisen in the past few weeks over this matter?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, we are always anxious to alleviate any misunderstanding, but within the hours that have been set, whether all the arrangements can be made, is something I will have to investigate.

Mr. Speaker: Order, please. The Chair will recognize the last supplementary on this subject. Afterwards, with the assistance of hon. members, I shall try to recognize those who were not recognized yesterday and, to the best of my recollection, I shall try to give them priority for a few minutes. The hon. member for Hillsborough on a supplementary.

POTATOES—CONSULTATION WITH PROVINCIAL MINISTER OR FARM ORGANIZATIONS IN PRINCE EDWARD ISLAND

Mr. Heath Macquarrie (Hillsborough): A supplementary for the Minister of Agriculture. In light of this very serious situation, has the minister communicated with the provincial minister of agriculture or with the federation of agriculture, to consult on a worsening situation?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I have not spoken directly to the minister of agriculture, but I believe the federal deputy minister did yesterday. The other important factor is that potatoes are now selling at about 25 per cent over our purchase price in Prince Edward Island—

An hon. Member: We were told all that yesterday.

[*Translation*]

REQUEST BY QUEBEC MINISTER FOR ASSISTANCE TO GROWERS

Mr. Roland Godin (Portneuf): Mr. Speaker, I should like to put a supplementary to the Minister of Agriculture.

Can he tell us whether or not he was recently asked by his opposite number in Quebec to participate in the financial aid program requested by Quebec potato growers who lost 50 per cent of their crop last fall because they had a bad year?

[*English*]

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, the offer to purchase potatoes and to make a cash advance was made equally to Quebec and to the other provinces.

* * *

YOUTH

OPPORTUNITIES FOR YOUTH—STATUS OF APPLICATION FOR STUDENTS EXPERIMENTAL TRANSIT SYSTEM

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I have a question for the Secretary of State. In view of the wholly unacceptable deterioration of rail service to Barrie, Orillia and points north, has the Secretary of State given his personal attention to the application under the Opportunities for Youth Program for $110,000 to finance a train

service between Barrie and Toronto called the students' Experimental Transit System, and if so has the minister given his support to this application?

Mr. Speaker: Order, please. I believe this is a question which normally ought to be placed on the order paper or considered at the time of adjournment, but perhaps the minister might reply.

Mr. Rynard: On a point of order, Mr. Speaker. This question cannot be put on the order paper in view of the time taken to answer such questions in the past because this proposal has to take effect in the next few days.

Mr. Speaker: The hon. member perhaps may not have heard my suggestion that the minister could reply to the question.

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I hesitate to answer the question because that project in probably one of the 20,000 or so we received within the last six days; if I tried to answer I would be afraid of getting off the track.

[*English*]

Mr. MacDonald (Egmont): A supplementary—

Mr. Rynard: A supplementary—

Mr. Speaker: Order, please. Hon. members will notice that quite a few supplementaries are sought on this question. The hon. member for Egmont on a supplementary.

OPPORTUNITIES FOR YOUTH—REQUEST FOR STATEMENT ON NUMBER OF APPLICATIONS AND METHOD OF PROCESSING

Mr. David MacDonald (Egmont): A supplementary question. I wonder if the minister would agree to make a statement on motions soon to indicate whether there might be some interim report on the number of applications received and, more important, the way in which applications will be processed, in view of the fact that the vast majority of them will not be accepted by the department?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Yes, Mr. Speaker.

[*English*]

OPPORTUNITIES FOR YOUTH—REQUEST FOR THOROUGH REPORT ON PROGRAM

Mr. Lorne Nystrom (Yorkton-Melville): A supplementary question for the Secretary of State. In view of the firm undertaking made by the minister in this House on December 8 that a more thorough report on the Opportunities for Youth program than that tabled in the House on December 7 would be available before the end of the year, can the minister indicate whether he still intends to table that report and if not what his reasons are?

[Mr. Rynard.]

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Very soon, Mr. Speaker. It is a matter of printing.

* * *

[*English*]

REGIONAL ECONOMIC EXPANSION

NEW BRUNSWICK—POSSIBLE REVISION OF 1966 AGREEMENT

Mr. John Burton (Regina East): I wish to direct a question to the Minister of Regional Economic Expansion. In view of statements as far back as 1968 that the 1966 FRED agreement for north-eastern New Brunswick was to be revised, and in view of acknowledged problems with the original agreement, can the minister indicate if a revised agreement has been concluded for this multi-million dollar project?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, I hope we will be able to sign this agreement soon.

[*English*]

Mr. Speaker: The hon. member for Dartmouth-Halifax East.

Mr. Burton: A supplementary, Mr. Speaker—

Mr. Speaker: Order, please. I wonder whether the hon. member for Dartmouth-Halifax East would be patient for at least a moment. I would bow to the hon. member's supplementary, and then recognize the hon. member for Dartmouth-Halifax East. The hon. member for Regina East on a supplementary.

REQUEST FOR STATEMENT ON EVALUATION OF IMPACT OF REGIONAL PROGRAMS

Mr. John Burton (Regina East): In view of the millions of dollars being spent on this and other FRED projects, can the minister indicate if any evaluation has been made of the impact of these programs on increased employment and improved income and living standards and would he be prepared to make any such evaluation available to the House or to the Standing Committee on Regional Development?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, as we said it is an agreement between the provincial and the federal governments. We have considered the situation, assessed and corrected what appeared to us as defects in the agreement, and now I believe it will not be too long before we sign it.

I shall be ready to supply the committee with all relevant information.

[*English*]

OIL

POSTPONEMENT BY GULF AND CONTINENTAL OF CONSTRUCTION OF FACILITIES IN NEW BRUNSWICK—EFFECT OF LEVY FOR POLLUTION FUND

Mr. J. M. Forrestall (Dartmouth-Halifax East): Thank you, Mr. Speaker. Luck is not with me this week. This is the third time I have risen to ask a question, and now the Prime Minister has left the House.

An hon. Member: Thank God!

Mr. Forrestall: I wanted to direct my question to him, but in his absence I would ask the Acting Prime Minister if he would take note of it and perhaps have the Prime Minister consult with his colleagues. The question concerns the indefinite postponement of the expansion by Conoco of its trans-shipment terminal in New Brunswick and the indication by Mr. McAfee, President of Gulf Oil, Canada, Ltd. that the levy for the creation of a maritimes oil pollution fund seriously jeopardizes any prospects for expansion of oil trans-shipment capabilities in the province of Nova Scotia. This comes immediately on top of the decision of Continental Oil Co. to indefinitely postpone a $60 million plant in New Brunswick.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, in view of the absence of the leaders of the other parties, the Prime Minister felt it was in order for him to leave but I shall bring this matter to his attention.

Some hon. Members: Oh, oh!

An hon. Member: When did he worry about that?

Mr. Bell: He went to finish the book.

Mr. Speaker: Order, please. I will allow another supplementary, but we will be running short of time and I am anxious to see those hon. members who were not recognized yesterday. The hon. member for Dartmouth-Halifax East.

MARITIME POLLUTION FUND—REQUEST FOR ESTABLISHMENT OUT OF GENERAL REVENUES RATHER THAN LEVY ON CARGOES

Mr. J. M. Forrestall (Dartmouth-Halifax East): A supplementary, Mr. Speaker. I wonder if the Acting Prime Minister would as well take notice of a request that the government consider the establishment of a fund of approximately $25 million out of general revenues, which is the amount estimated to be required, thereby permitting a longer time for the development of this fund through a direct levy on a per ton or per barrel basis?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker. I can assure the hon. gentleman that the subject of this levy has been very carefully studied. It is my understanding that no change will be made for the time being until some experience has been gained.

Inquiries of the Ministry

MANPOWER

REQUEST FOR REVISION OF APPLICATION FORMS

Mr. S. Perry Ryan (Spadina): My question is for the Minister of Manpower and Immigration who is just leaving. I wonder if he could return for a moment or two. We know the minister has been ill, and we are certainly glad to see him back in the House after his long absence. I should like to know if the minister has had an opportunity in the last few weeks to look at the incredibly complicated application form that people must fill out at the manpower centres. I think it is a form designed to fit in with the ACES system, but it is very complicated and it is giving headaches to the people who are applying.

• (1600)

Mr. Speaker: Order, please. Perhaps the minister might be allowed to reply. I suggest to hon. members that if questions are too long and contain too many explanations, we shall run short of time soon.

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Mr. Speaker, I thank the hon. member for his question. I agree with him. We had an analysis made which confirms that some of the forms are too complicated. We are in the process of preparing new forms. We are testing them in the field and discussing them with appropriate groups such as the advisory committee to the Unemployment Insurance Commission as well as the trade unions of the country, in order to come up with a much more simplified form.

Mr. Speaker: The hon. member for Mackenzie. I will recognize the hon. member for Oshawa-Whitby in a moment, but at the moment the hon. member for Mackenzie has been recognized.

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AGRICULTURE

PROGRAM TO ASSIST SMALL FARMERS—AGREEMENT BETWEEN FEDERAL AND PROVINCIAL MINISTERS

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I wish to direct a question to the Minister of Agriculture and ask whether he has had meetings since the middle of February with any or all provincial ministers of agriculture pertaining to the small farm development program, and has he been led to believe that there is agreement between the federal and provincial ministers on this program?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, the last meeting I had with the provincial ministers of agriculture was, I believe, on February 14. There was, of course, no disagreement on the features involved in the program, although there was further work to be done and, I suppose, some disagreement on the division of administrative responsibility.

Mr. Korchinski: Mr. Speaker, I rise on a point of order arising from a reply that the Prime Minister, prompted by the Minister of Agriculture, gave me on February 29. At that time I raised a question pertaining to this whole matter. I asked the Prime Minister:

—whether, in the interests of federal-provincial relations, it is still government policy to get approval from the provinces of policies in which they have a direct interest, prior to proceeding with them?

The Prime Minister replied in his usual way, "To get approval from the provinces when?" I said, "Prior to proceeding with these policies." The Prime Minister then said, "What policies is the hon. member talking about?"

Mr. Speaker: Order, please. Would the hon. member please indicate his point of order. Will he please resume his seat for a moment. I think hon. members have a responsibility to their colleagues and must be as brief as possible when raising points of order during the question period.

Mr. Korchinski: I appreciate your comment, Mr. Speaker. May I continue? May I point out that the Prime Minister's final answer on that occasion was:

Mr. Speaker, the Minister of Agriculture tells me that there is no opposition, that the provinces agree with the program.

I have looked at a Canada Department of Agriculture press release dated February 14, in which the minister is reported as saying:

We were hopeful that the provinces would see fit to join us in a federal-provincial program, but agreement has not been possible to attain despite a year of negotiations and meetings.

Mr. Speaker: Order, please. I must interrupt the hon. member. He has had the floor for some moments and he still has not indicated what his point of order is. Up to this point it appears that there has been merely a disagreement on what might have been said in the House by way of an answer, and that cannot be considered a legitimate point of order.

Mr. Korchinski: Mr. Speaker, I apologize to you and to the House. It seems that a misleading answer was given, intentionally or otherwise, and I should like the matter to be corrected. I should like to know what the proper answer is with regard to this situation?

Mr. Speaker: The hon. member for Oshawa-Whitby.

* * *

UNEMPLOYMENT INSURANCE

POSSIBLE REVISION OF REGULATION RELATING TO SEVERANCE AND HOLIDAY PAY

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a supplementary to an earlier question regarding changes in UIC regulations. Is the Minister of Manpower and Immigration in a position to announce to the House any changes in Unemployment Insurance regulations which would take into account complaints which have been registered concerning the connection between severance pay and holiday pay and the level of unemployment insurance benefits to which a man is entitled?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Mr. Speaker, I have reviewed the regulations and I must state categorically that I have no intention of providing Unemployment Insurance to anybody who is on vacation; nor do I have any intention of revising the regulations in such a fashion that the Unemployment Insurance Plan, which is an insurance plan, becomes nothing more than a welfare plan. On the other hand we are reviewing the regulations to see if some unintentional harm has been done to certain categories of workers. If and when I come to the conclusion that those regulations can be changed without weakening the insurance principle, then I will be prepared to bring forward those changes.

Some hon. Members: Hear, hear!

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FEDERAL-PROVINCIAL RELATIONS

REQUEST FOR REVISION OF TAXING POWERS TO ALLEVIATE BURDEN ON MUNICIPALITIES RESULTING FROM INCREASED PRICES

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I had a question for the Minister of Finance who was supposed to be here today. In his absence, since the Prime Minister is also absent now, may I direct it to the Acting Prime Minister. Since prices rose in such cities as St. John's, Ottawa and Toronto by over 4 per cent in the past year, is the government now willing to open up the area of tax redistribution with the provinces and cities in order to alleviate partly the strain on municipal costs and services which are rising?

Mr. Speaker: I trust that the minister can reply to the question briefly, because it is of very wide import. I doubt whether it can be answered by way of a reply during the question period.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the government is concerned about rising prices, of course. I do not think that there is a very relevant connection between the cost of government services in those cities and the rise in the local cost of living.

* * *

[*Translation*]

AGRICULTURE

HOGS—SUBSIDIES TO CORPORATE PRODUCERS TO BUY CHEAPER FEED GRAIN

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I would like to ask the Minister of Agriculture a question which is supplementary to the question asked by my colleague the hon. member for Bellechasse (Mr. Lambert).

Several breeders sometimes get together in order to buy at better price the feed for hogs. Could the minister tell us whether the regulations of the new plan providing a subsidy of $5 per head, index 100, and more at slaughter, up to $1,000 yearly by breeder, will also apply to each of the breeders grouped together that way?

[*English*]

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, what we are asking from those people who make application where sales have been made in one name, whether by

a corporation or partnership, is information respecting the nature of the partnership or corporation so that we can examine this matter. We certainly want to make payments to each bona fide hog producer.

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POLLUTION

SHIPWRECK RESULTING IN OIL SPILLAGE NEAR PACIFIC RIM PARK—REQUEST FOR NAVIGATIONAL CONTROL SYSTEM

Mr. D. W. Groos (Victoria): Mr. Speaker, my question is for the Acting Prime Minister. It arises from a number of telephone calls made from the west coast yesterday and today, all prompted by a major shipwreck yesterday, the third one this year incidentally, Mr. Speaker, off one of Canada's newest national parks, the Pacific Rim Park. There has been an oil pollution threat which today has become a fact. Will the minister act now and take steps to make this type of marine accident less likely by setting up a modern traffic control system in this area with all the necessary equipment and rules to make it effective?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, we will certainly take that suggestion under consideration.

Mr. Groos: A supplementary question, Mr. Speaker.

Mr. Speaker: Perhaps the hon. member might ask his supplementary quickly. We are running short of time.

OIL SPILLAGE FROM SHIPWRECKS—REQUEST FOR REFERENCE TO COMMITTEE

Mr. D. W. Groos (Victoria): Mr. Speaker, my question to the government House leader is as follows: would he consult with his colleagues on the opposite side of the House with a view to reconstituting the special Committee on Environmental Pollution, which would study this specific problem and make recommendations to the House?

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I have that question under consideration at present and have already had some communication with the hon. member for Esquimalt-Saanich, the chairman of that committee, with a view to either reconstituting the committee or providing some other method by which this very useful work can be carried forward.

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PARLIAMENT BUILDINGS

DAMAGE TO FRONT STEPS—REQUEST THAT CONTRACTOR MAKE REPAIRS

Mr. A. D. Hales (Wellington): Mr. Speaker, my question is addressed to our congenial Minister of Public Works. Will the minister ask his officials to look at the front steps leading to the Parliament Buildings which have been severely damaged by a backhoe used for removing snow. These hand hewn stone steps are severely chipped, and I suggest that the minister should ask the contractor to make good the damage done.

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AGRICULTURE

RESPONSE TO REPRESENTATIONS FOR ASSISTANCE IN FOWL BUYING PROGRAM

Mr. R. E. McKinley (Huron): Mr. Speaker, when I raised my question originally with the Parliamentary Secretary to Minister of Agriculture, I was told that I would obtain an answer on the minister's return. My question is related to the submission to the government of the Federation of Agriculture, on behalf of egg producers, for assistance in the fowl slaughtering program. What action is the government going to take on that request?

• (1610)

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, we have asked the representatives of the egg producing associations to work on an urgent basis to put together a marketing plan that is acceptable across the country, one that will bring supply and demand into balance. When that is done, we will be willing to give favourable consideration to some financial assistance that will help immediately.

Mr. McKinley: A supplementary question.

Mr. Speaker: The hon. member for Huron might be allowed to ask a supplementary question and then we will call Orders of the Day.

Mr. McKinley: With regard to the fowl buying program announced by the government last year under which assistance was going to be given to producers, how much money was paid to producers under that program?

Mr. Olson: None, Mr. Speaker.

Mr. Speaker: Order, please. That question ought to be placed on the Order Paper.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baldwin: Mr. Speaker, I would like to ask the government House leader about the business for this week and next week. Also, if he is able, can he give any indication about the Easter recess? Finally, he might want to say how long we will be here when we return after Easter.

Mr. MacEachen: Mr. Speaker, in connection with the business of the House, we will continue today with the federal-provincial fiscal arrangements bill. This will be followed by the budget bill that is on the order paper. If that is concluded today, we will begin the explosives bill. Tomorrow is an allotted day.

With regard to the legislative outlook for next week, following the explosives bill, we will take the Criminal

Code amendments, keeping in mind that at any point I might call the amendment to the British North America Act which has been at the front of the program for several days. In referring to the Criminal Code amendments, I have in mind the hijacking bill and the bill on privacy. Next week, Mr. Speaker, the allotted days will be Tuesday and Thursday.

The proposed tentative date for the beginning of the Easter recess is the Wednesday prior to Easter Sunday, which I think is March 29. The date of our return is not yet clear, but it will certainly not be sooner than April 10 and possibly later. In exchange for all that information, Mr. Speaker, perhaps my hon. friend will tell me which day next week he intends to be the opposition voting day.

Mr. Baldwin: Mr. Speaker, it is a matter to which I will give serious thought and make my decision known in due course.

Some hon. Members: Hear, hear!

An hon. Member: Arrogance.

GOVERNMENT ORDERS

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS ACT, 1972

AUTHORIZATION OF FISCAL PAYMENTS TO AND TAX COLLECTION AGREEMENTS WITH PROVINCES

The House proceeded to the consideration of Bill C-8, to authorize the making of certain fiscal payments to provinces, to authorize the entry into tax collection agreements with provinces, and to amend the Established Programs (Interim Arrangements) Act, as reported (without amendment) from the Standing Committee on Finance, Trade and Economic Affairs.

Hon. Marcel Lambert (Edmonton West) moved motion No. 1 as follows:

That Bill C-8, an act to authorize the making of certain fiscal payments to provinces, to authorize the entry into tax collection agreements with provinces, and to amend the Established Programs (Interim Arrangements) Act, be amended by deleting from clause 32 paragraph (a), subparagraphs (iii), (iv), (v) and paragraph (g).

He said: Mr. Speaker, I have arranged to exchange with my colleague the order of speaking. Because of pressing arrangements he would like to speak now on the amendment I have moved.

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I thank the House, and I shall not be very long. There are a couple of points we should keep in mind concerning Bill C-8. The Standing Committee on Finance, Trade and Economic Affairs had not only the benefit of hearing the Minister of Finance (Mr. Turner) but the Secretary of State (Mr. Pelletier) and the Association of Universities and Colleges in Canada when the Committee was considering this bill.

There have been and continue to be national goals in post-secondary education. I suggest that we must be very careful to nurture and foster this national emphasis. Your Honour will be glad to know that the length of my speech will have no bearing whatever on the earnestness and seriousness with which I view future federal involvement in this field. I am uneasy about the government of Canada turning away from its obligations to our universities and colleges. This will have very great implications on the future of post-secondary education in our country. The policy of assisting universities with capital and operating grants may not be the best method the government of Canada can adopt, but it is better than a mere transfer of income tax points which would have the effect of leaving each province on its own in the university sphere.

It would be pointless to reargue or rehash the point I tried to make the other day about section 93 of the British North America Act which in its proviso states very clearly, if I can put it that way, "in and for each province the legislature may". Then there follows a series of things it can do in the field of education. I do not for one minute want anyone to think I wish to interfere in any way, by argument, policy or philosophy, with the fundamental right of the provinces in the field of education, particularly at the level of the school curricula, and so on. However, I suggest that when the Fathers of Confederation framed the constitutional provisions that make up the British North America Act there were no such things, with two very noteworthy exceptions, as universities transcending provincial boundaries. I do not think universities have an international boundary, let alone a provincial one.

This whole question has been eloquently discussed time after time by Dr. J. A. Corry who was an adviser to the office of the Secretary of State on the matter of post-secondary education. Also, this policy was inherent in the adoption by the government of Right Hon. Lester B. Pearson of the formula of which this bill is really nothing more than an expansion. I feel that in this stage of our constitutional evaluation it would be a very good idea to have an educational council in this country, in no way diminishing the basic and fundamental constitutional rights of the provinces but, rather, acting as a clearing house for essential information, an exchange of views, and so on, in education.

I think it is seven years ago that the Bladen commission carried out a very worth-while study on the funding of higher education. Its studies have really been overcome by events. I respectfully suggest that during the next 24-month period, when we will have to develop a policy of federal aid to post-secondary education, would be an excellent time for the government of Canada, with the help and assistance of the provinces, to arrange for a new study on post-secondary education. This is really a plea for us not to get into a position of looking inward and looking provincially, if I can put it that way, in the field of post-secondary education.

• (1620)

Not all Canadians, despite the findings of the Wright commission, and perhaps this is a good thing for Canada, can be born, can be educated and can die in Ontario. This seems to be the philosophy of the Wright commission report. There are disquieting bits of evidence which lead one to the conclusion that despite the national goals so clearly enunciated and supported, I may say—and we

welcome this—by the government of Canada in its generous funding provisions under clause six of this bill, the federal government would like to be done with this and would rather transfer these funds under, really, a points system leaving the provinces free to develop in ten tidy, watertight compartments that which surely must not be compartmentalized these days, that is, the thrust and policy development of post-secondary education in our country. This is the plea: I hope that within the next 24 months serious attention will be paid to this problem.

I do not say this in any threatening way, but I suggest it will be a great disservice to this country, one which members on the government side, certainly many among the official opposition and, I am sure, members to my left, if the federal government feels it can in this way discharge its constitutional responsibility in funding and supporting national goals in respect of post-secondary education. This responsibility cannot be discharged by mere transfer of a few tax points. Obviously these are days when national goals must not only be developed but must be fostered. I say that should the government think it can discharge its undoubted responsibilities by merely transferring income tax points, then, as distinguished Senator Eugene Forsey has said, many of us will want to tear the purple off the cloths.

Mr. John Burton (Regina East): Mr. Speaker, I listened carefully to the comments of the hon. member for Fundy-Royal (Mr. Fairweather). Most of us share the concern he expressed about future government policy respecting the financing and funding of educational institutions.

Attention must, however, be paid to the terms of the motion which is before us. I am at a loss to understand what members of the official opposition wish to accomplish by the wording of the amendment. As I see it, they propose to weaken clause 32 which gives the governor in council power to make regulations. They intend to remove therefrom the power to make regulations which define the expressions "junior matriculation," "post-secondary level," "assisted, sponsored or contract research," and "operating expenditures." The amendment proposes to omit a general, catch-all provision at the end of clause 32 which would enable the governor in council to make regulations carrying into effect the purposes and provisions of the act.

There may be some logical explanation for this, but it seems to me that simply to remove the power to make regulations or to define these expressions and terms which are important in carrying out the provisions of the act would leave a gap in the legislation. It seems to me there ought to have been another amendment defining those expressions if in fact it was the intention of the official opposition to ensure that there would be no tampering with the definitions.

At the same time, I should like to make it clear that we share some of the concern he has expressed about the involvement of the federal government in the financing of post-secondary and other educational programs. The federal government has become involved in these programs over a number of years, during which it has contributed in a special way to the cost of education in Canada. An attempt has been made to do this in a way which does not interfere with the constitutional prerogative of the provinces in the area of education.

Because of the federal structure of our country and because the federal government has the resources at its command with which to finance the cost of education in Canada in something approaching an equitable fashion, we must be concerned about the future of this program. The federal government entered these programs and its action in doing so was generally welcomed. This does not mean there was necessarily agreement as to the particulars of the proposals made by the federal government when it entered this field; nevertheless, there was a large measure of agreement with the decision made by the government some years ago to enter the field and contribute toward the cost of financing.

In the meantime there have not been any basic changes to the financial structure and revenue raising arrangements in Canada or the division of revenue raising power as between the federal government and the provinces. What lies ahead? There is every indication that the federal government is seeking ways and means of limiting its contribution to the financing of these shared programs. We should like the federal government to state clearly what its intentions are for the future.

Statements made before the committee indicated that some of the shared-cost programs are under negotiation and that various proposals are being discussed. This is fine; no one would object to this sort of discussion. At the same time, we would appreciate a clearer indication of what the federal government intends to do. Do some of the proposals it is making at the present time represent merely a negotiating stance, or do they really represent a studied policy for Canada? I hope we shall hear more from government spokesmen on these matters while the motion is under consideration.

Hon. P. M. Mahoney (Minister of State): Mr. Speaker, as usual I find myself in a very agreeable frame of mind when dealing with propositions put forward by the hon. member for Fundy-Royal (Mr. Fairweather). Certainly, the desirability of federal participation in the financing of post-secondary education is not questioned.

I searched the hon. member's comments for some support of the amendment to which he was speaking, and I must say I searched in vain. I suppose I share the mystification which the hon. member for Regina East (Mr. Burton) expressed in that connection. The provisions which the amendment seeks to delete are essential to the operation of this program. They deal with the power to make regulations under the act.

The intent of the provision respecting post-secondary education transfer of funds is to provide financing to each of the provinces equivalent to 50 per cent of the eligible operating expenditures incurred by post-secondary institutions. The transfer is unconditional, which is to say that the provinces can use the money in any way they see fit. But the amount to be transferred, the quantum of the transfer, is based on the 50 per cent formula, or in the case of New Brunswick, Prince Edward Island and Newfoundland on a $15 per capita escalated amount.

• (1630)

To effect this transfer to the provinces it is essential that the Secretary of State know how much is in fact spent on eligible operating expenses of post-secondary education institutions. For this reason, clause 32 (a)(iii) is required so that the Secretary of State may ensure that the federal government is not sharing in expenditures incurred by institutions at the secondary school level. The program is for post-secondary education. For example, grade 13 in Ontario and grade 12 in the other provinces are considered post-secondary. Therefore, in order to administer the program you must be able to distinguish, in expenses incurred by a high school, between those at the post-secondary level—grade 13, or grade 12 in provinces other than Ontario—and those at lower grades that are secondary level. Accordingly, clause 32 (a)(iii) is necessary.

Paragraph (iv) of clause 32 permits the definition, by regulation, of the expression "assisted, sponsored or contract research". This, again, is to ensure that the federal government is not paying twice for research, once by way of contract, as is often done under other programs which would in many cases involve bearing the full cost of this type of research, and again by paying 50 per cent of its cost through the post-secondary education program.

Paragraph (v) permits the definition, by regulation, of the expression "operating expenditures incurred for post-secondary education" and again is needed so that the quantum of funds to be made available can in fact be determined. If there were no definition of "operating expenditures incurred for post-secondary education" there would be no way of determining whether the provinces were receiving more or less than they should. With great respect, I suggest to the hon. member for Edmonton West (Mr. Lambert) that his amendment would, if adopted, be a real disservice to the provinces. It would simply make it impossible for the program to be properly administered.

With regard to the general authority to make regulations contained in subclause (g) of clause 32, I think I see in the amendment the well-known stamp of the hon. member for Edmonton West who fights a battle against the power to make regulations when any bill containing such provision comes along. I can only say that the necessity for making regulations here has been recognized. In discussions with the provinces they have never for a moment suggested that regulations should not be permitted to be made. As a matter of practice, the provinces are consulted to inform them of the government's intentions to make regulations and to obtain their views before any regulations are passed. As I say, no province has suggested that this power should not be in the bill, since it is most necessary and desirable to permit some flexibility in the operations of the programs as they evolve.

Accordingly, I ask the House to reject the amendment before us.

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, the amendment now before the House may be justified, especially in the light of the essential principles that should apply in all equalization matters and tax sharing arrangements between the central government and the provinces.

[Mr. Mahoney.]

Mr. Speaker, in his speech of March 2 last my colleague the hon. member for Roberval (Mr. Gauthier) summarized the whole problem ably, sensibly and very accurately.

If the central government has so much money available, if it is in a position, through the Minister of Finance (Mr. Turner), to dictate to the provinces their policy in the economic and financial sector, it is by reason, at the very beginning, of poor coordination and of the conclusion of temporary agreements which are becoming more and more permanent. The takeover by the central government in some fields that were to be the sole responsibility of the provinces, according to the constitution, is becoming more and more abusive.

Today, many Quebecers are severely blaming the central government for its intrusion in some fields supposed to belong exclusively to the provinces. They are right in their reasoning.

By way of heavy expenditures, an effort is being made to coordinate taxation between the central power and the provinces, and once this has been achieved, it is doubly costly, whereas it would be so simple to allocate responsabilities first and then give each government the necessary resources to administer itself properly.

There is however a time when in spite of everything, we should say to ourselves: No matter where the money comes from, it is our money! And even if the results of expert calculations would seem to show that one province is paying more and another is paying less, that may not always be correct and most of all that may not be fair.

Of course the money allocated in all kinds of ways by the federal government always comes from the taxpayers' pockets. So why not then preserve certain prerogatives, certain special rights, I would even say certain privileges which certain areas of this country, including the province of Quebec, want to preserve above all? Why not? We know that Quebec prizes the education field like the apple of its eye.

As it was so well demonstrated by my colleague from Roberval, a simple way to solve this problem would be to conclude a new constitutional agreement under which all the provinces could determine new structures that would permit everyone to live in a more independent, free and happy way.

Mr. Speaker, when we are faced with the fact that the provinces themselves are accepting these proposals—and it is understood that a technical difficulty remains to be overcome—I do not see why we should repeat the same mistakes already made in Quebec when money from the federal government was refused in the name of basic principles. Finally, it turned out that this money was simply lost. Quebec never saw the colour of it and yet it had been paid by Quebec taxpayers as well as by taxpayers from other provinces.

• (1640)

So, this is why we are facing some sort of dilemma. If the government rules and administers the country in a dictatorial fashion and the provinces accept it, then there is nothing to be done about it. What would need to be done would precisely be to change the system basically. But when it comes to education the provinces should, of

course, have all the tax resources required under the present system in order to be able to administer their business as they see fit.

We already have this centralization that has always been exposed and we will indeed have an opportunity tomorrow to expose it even further in our opposition day, Mr. Speaker. This decentralization is not only necessary but in fact essential to this country. In a country as vast, as large as Canada, a country bigger than the United States and even Europe from a geographical point of view, let us not claim that we are in a position to control everything, to set everything, let us not claim that we can achieve serious coordination of all parts of a country as vast as ours. And this, all the more when the ethnic difference which should be taken into account underlines more clearly the need for decentralization.

Then, of course, the governor in council would make regulations defining certain expressions for the purposes of this act and I quote the relevant subparagraphs:

(iii) the expressions "junior matriculation" and "post-secondary level",

(iv) the expression "assisted, sponsored or contract research", and

(v) the expression "operating expenditures incurred for post-secondary education" by or in respect of an educational institution or secondary institution;

Mr. Speaker, when we read through these subparagraphs, we realize that we are faced with an established fact, which is that the federal government is interfering, without any embarrassment, in matters that come under the exclusive jurisdiction of the provinces.

It is a *fait accompli*. I find this extremely unfortunate, and I feel we could remove the subparagraphs. But I do not think we will ever change anything with amendments of that type. So, until we are determined to change from the start the whole tax system, until we acknowledge the need for reform of our economy and our monetary system, in short, until we come to realize that we have to change our constitutional structure in order to give every area, every citizen or every group of citizens in this country the opportunity to become more liberated and to develop better, we will just be marking time, so to speak.

This is why I say that all those amendments that we want to propose would of course preserve a principle very dear to the heart of the province of Quebec, that of remaining in control of education. But I feel that this is only a small thing when we consider that the whole bill under study should have been amended—and this, within a process of general constitutional reform.

[*English*]

Mr. D. Gordon Blair (Grenville-Carleton): Mr. Speaker, reference has already been made to the obscurely worded amendments proposed by the official opposition. I make no comments on these amendments because they appear to bear very little relationship to the important points that were made by the hon. member for Fundy-Royal (Mr. Fairweather) in advancing them. This is not the first time that opposition proposals have been badly related to the substance of the real issues before Parliament, but I think all of us here should be very concerned about the measure which is before us and about the judgments which have been placed on it by the university community.

I make the suggestion, Mr. Speaker, that it would be helpful to hon. members if they read the March 14 proceedings of the Standing Committee on Finance, Trade and Economic Affairs when the Association of Universities and Colleges of Canada made its presentation to the committee. Running all through that presentation was not only a clear note of concern and apprehension, but a clear note of warning that the present system of federal involvement in the financing of Canadian universities was open to serious question. My purpose in speaking in this debate is not to review all the intricacies of the discussion which took place in that committee and which has been carried on in greater detail throughout the country.

The present system of financing Canadian universities is for the provinces initially to set the standard, as it were, by determining how much money they will devote to university education in terms of operational expenses as defined in the regulations. When that determination is made, the federal government becomes a passive contributor of an equal amount of money. If a province chooses to spend a lot of money on university education, then it will follow that the federal government will spend a lot of money in that province. If another province decides to spend a lesser amount of money or, what is more important, a lesser percentage of its total expenditures on university education, then the federal contribution to university education in that province will be less. This leads to the obvious result which was underlined by the representatives of the universities and colleges, namely, that we do not have a common national standard of excellence in Canadian universities.

Without going into detail, Mr. Speaker, it was quite clear that the representatives of the universities and colleges were concerned because there were varying standards of quality in university education and that they were brought about because of differing financial resources. This is a matter which should be of great concern to us and really a principal reason for reviewing very carefully the basis of university financing in this country.

There is another concern which is growing and which is also a product not only of the financial arrangements described in this bill but of the financial assistance given to students pursuant to the student loans underwritten by the federal government, and the grants of assistance to students made by provincial governments. There is no question that the declining mobility of Canadian students from province to province is a feature of modern university life in this country. Canada benefited greatly from the fact that students from one province could be attracted to a university in another province.

We need every incentive we can find in this country to overcome our regional differences and parochial attitudes, but the present nature of university financing arrangements, coupled with the provisions for granting student assistance, puts more and more of a premium on students going to universities only in the province in which they reside. This to me is a trend which is not satisfactory and should not be encouraged.

• (1650)

Coupled with it is the fact that the present nature of university financing arrangements and student assistance

militates greatly against the entrance of foreign students. In provinces which are under great financial strain, the entrance of a foreign student to a university in the province probably represents an unwelcome financial charge and burden regardless of the contribution foreign students can make to the university life of Canada and through that university life to the whole of the community.

Another matter which greatly concerns the university community is the fact that all the financial assistance from public sources is funnelled to them through one channel. The evidence given by university representatives who appeared before the committee was to the effect that more than 80 per cent of the costs of operation of universities are now paid by the government and in all cases this money now reaches the universities through the provincial governments.

I believe the universities have good reason to be fearful of the erosion of their independence by reason of the tremendous concentration of fiscal power in the hands of the provincial governments. This would seem to be another good reason to look for alternative ways to provide fiscal assistance at the federal level for post-secondary education.

It is clear that there is no cow more sacred in our political history and in our constitution than that of education which, because of the inept wording of section 93 of the BNA Act, is presumed always and eternally to be a provincial responsibility. On the face of things it is impossible to believe that university education, the comprehension of knowledge at a high level and over a great scale, can in any sense be just a provincial responsibility. The mere fact that the universities have to find a location or physical site in various parts of the country is an accident which cannot be avoided and is not one which should be used to impose burdens upon university students no matter from what part of Canada they come.

I have contended vigorously for many years that the federal government should have an active role to play in university education. I am distressed to see that the report filed today by the constitution committee does not accord the federal government the hope of achieving a role of that kind, and retreats again into the ancient formula which assigns university education to the provinces just as if it were elementary school education in the year 1867.

We are fortunate that the arrangements being proposed here are of an interim nature. Obviously, we look to a better permanent arrangement for the future. I share entirely the apprehension of the hon. member for Fundy-Royal that we may try to avoid the basic responsibility of parliament to university education merely by the assigning of tax points or tax room to the provinces. We must do more than that if we are to achieve the full potential of university education in this country for the benefit of all our citizens and for the benefit of the nation.

The question of the future financing of university education in Canada is, I believe, too important to be left to private discussions between ministers of the federal government and the provincial governments. I hope very serious consideration will be given to the submission made by the Association of Universities and Colleges to the federal government and to the council of ministers, federal and provincial, which I understand was prepared and filed in the autumn of 1971. Among other things, this submission, as reported at page 244 of the March 14 report of the Standing Committee on Finance, Trade and Economic Affairs, recommends that there be a separate, countrywide study of the subject of financing higher education in Canada. It recommends that the terms of reference for such a study should include the following areas of concern:

1. the role and responsibilities of universities in the contemporary Canadian society;

2. the distribution of the financial costs and responsibilities as between governments and students and between federal and provincial governments, and the financial devices by which the desired distribution could be effected;

3. regional disparities in educational opportunities and appropriate devices for eliminating them;

4. universal accessibility and student support;

5. role of the federal authority in support of research, student mobility, graduate study, and foreign students;

6. ways of achieving provincial, regional and national co-ordination of activities, ways of achieving economies in university operations and ways of preventing unnecessary proliferation.

Mr. Speaker, through you I should like to thank the hon. member for Edmonton West (Mr. Lambert) for moving the amendment which has provided an opportunity for this important discussion. As I said at the beginning, his amendment regrettably bears little relevance to the matters I have discussed and the matters raised by the hon. member for Fundy-Royal, but I say in all seriousness to this House that one of the most important items we must decide in the future is a better and revised way of financing university education in Canada.

[Mr. Blair.]

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Egmont (Mr. MacDonald)—Agriculture—Potatoes—Response to representations for action to relieve depressed market—Possible diversion to stock feed; the hon. member for Fraser Valley West (Mr. Rose)—Canadian Broadcasting Corporation—Dispute with NABET—Request that CBC engage in meaningful negotiations; the hon. member for Richmond (Mr. Beaudoin)—Criminal Code—Abolition of capital punishment—review by parliament during present session.

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

Mr. Stanley Haidasz (Parkdale): Mr. Speaker, I understand there have been discussions among the parties on both sides of the House and there has been agreement to ask for unanimous consent to call the report stage and third reading of Bill C-164. I would therefore ask the unanimous consent of the House to proceed.

Mr. Deputy Speaker: Hon. members have heard the hon. member for Parkdale (Mr. Haidasz). Is there unanimous consent.

Some hon. Members: Agreed.

Mr. Deputy Speaker: It is so ordered.

PRIVATE BILLS

UNITED BANK OF CANADA

The House proceeded to the consideration of Bill C-164, to incorporate United Bank of Canada, as reported (without amendment) from the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Stanley Haidasz (Parkdale): Mr. Speaker, at this report stage of Bill C-164 I should like to move the following amendment:

That Bill C-164 be amended by substituting the word "unity" or "l'unité", as the case may be, in the title thereof for the word "united" or "unie" and elsewhere in the bill as required.

• (1700)

Mr. Deputy Speaker: Unanimous consent is required to move the amendment at this point, notice not having been given. Is there consent that the hon. member for Parkdale (Mr. Haidasz) be allowed to move the amendment at this point?

Some hon. Members: Agreed.

Mr. Haidasz: Then I so move, Mr. Speaker.

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

Motion (Mr. Haidasz) agreed to.

Mr. Haidasz moved that Bill C-164, to incorporate Unity Bank of Canada, as reported (without amendment) from the Standing Committee on Finance, Trade and Economic Affairs, be concurred in.

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

Hon. Marcel Lambert (Edmonton West): I would like to make a few brief comments at this time, Mr. Speaker.

Mr. Deputy Speaker: Order, please. The motion before the House is on the report stage of the bill. The hon. member might wish to deal with it at a subsequent stage.

Mr. Lambert (Edmonton West): No, Mr. Speaker, unless I reserve my position completely. The fact is that we are debating the bill this afternoon by consent. I want to point out a practice which seems to have arisen in the filing of reports by various chairmen of committees.

Mr. Deputy Speaker: Do I understand that the hon. member is rising on a point of order?

Mr. Lambert (Edmonton West): That is right, Mr. Speaker. Today the report was tabled and it included the provision that the evidence and the minutes of the committee be tabled therewith. The committee completed its deliberations at one o'clock this afternoon, and the report was deficient; I will not say misleading. I have been told, and I have ascertained it, that many chairmen are doing this. I would say that that is totally wrong.

A committee chairman can come here with the report of the committee and the evidence and the minutes of the meetings attached to it. Then hon. members must wait 48 hours before they can discuss the report, unless it is done by consent. This business of trying to slide things through must stop. Hon. members are being asked to decide on a motion before the House not having had one moment's opportunity to look at the evidence. There is no way that we can do this.

I am raising this as a point of order as I do not particularly want to pick out the Chairman of the Committee on Finance, Trade and Economic Affairs. I take it that this happened on a previous occasion with Bill C-8. I know this because the transcript of the evidence of last Tuesday morning was published only this morning just before ten o'clock. It was certainly not available when the report of the committee was tabled last Tuesday. As I said, this is happening with other committee chairmen who have come here with reports from their committees. That is against the rules, and I think we should stick to the rules in this regard.

Mr. Deputy Speaker: Hon. members know that we are on a point of order. The motion before the House is for adoption at the report stage. I can only put the motion with the unanimous consent of hon. members, and I take it the hon. member for Edmonton West (Mr. Lambert) has indicated, for the reasons he has expressed, that he is not giving his consent.

Mr. Lambert (Edmonton West): No, Mr. Speaker; I am giving my consent under the circumstances, but I wanted to raise the point of order because this should not happen again.

Mr. Deputy Speaker: I thank the hon. member for clarifying the point. Is it the pleasure of the House to adopt the said motion?

Motion agreed to.

Mr. Haidasz moved that the bill be read the third time and do pass.

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

Mr. Lambert (Edmonton West): I would like to make a few comments with regard to this proposal. It is not often that we get a bill before the House to incorporate a bank. This is one of the few occasions that have been reserved for private bills following the change in our procedure. Following the amendment, the bank is now called the Unity Bank of Canada. I must say that having gone through all sorts of travail in the committee this morning and votes on the word "United", I do not think the soup could be spoiled more than by this change of name. How-

ever, the incorporators want it that way and it is their problem. I am glad I do not have to support it.

With regard to this bank, subject to the requirements of the Bank Act, the provisional directors and the organizers of the bank will have to endeavour to convince the public that it will be worth while investing in their shares and that they will meet all the necessary requirements. I hope we will not have any difficulty with funds that are advanced by prospective shareholders should the matter not come to fruition, as was the case with the Bank of Western Canada. I do not think Canada can really stand one more of those.

However, if the provisional directors of this concern are able to get together a satisfactory management team, men who will be skilled in the business of banking—and that is not something that is picked up from textbooks or from reading newspapers; it requires many years of downright hard experience and courage—I hope that it will prosper. I will not say any more about what I feel with regard to the bank, but I hope they are able to make a go of it on the basis of a business unadorned by the peripheral considerations that may have entered into the discussions during the promotion of this bill.

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

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

Mr. Grant Deachman (Vancouver Quadra): Mr. Speaker, I believe there is disposition among hon. members to take up item No. 17 on page 7 of today's order paper, the motion standing in the name of the hon. member for Regina East (Mr. Burton).

Mr. Stanley Knowles (Winnipeg North Centre): I wonder if I may confirm what has been said by the hon. member for Vancouver Quadra (Mr. Deachman) and add a word to it. Your Honour will note from the order paper that this item has had 57 minutes of debate, which means that there could be another 43 minutes, following which it is our intention to ask for a recorded vote.

• (1710)

I think you will find there is agreement among the parties that, if Your Honour is prepared to do so, you can consider we have now had the hour and a half of debate provided in the rules, so that there can be two speeches, a five minute reply from the government side, which I understand will be made by the Parliamentary Secretary to the Minister of Finance, after which the mover of the motion would like to take his final five minutes and then we could have the vote.

Mr. Deputy Speaker: Order. Is the hon. parliamentary secretary speaking to the point of order?

Mr. Deputy Speaker: If the hon. parliamentary secretary will excuse me for a moment, the Chair will ask if there is consent to the procedure outlined by the hon. member for Vancouver Quadra (Mr. Deachman) as well as the hon. member for Winnipeg North Centre (Mr. Knowles), and perhaps we should add that prior motions be permitted to stand and reserve their place. Is it agreed?

[Mr. Lambert (Edmonton West).]

Some hon. Members: Agreed.

Mr. Deputy Speaker: It is so ordered.

PRIVATE MEMBERS' MOTIONS FOR PAPERS

NATIONAL PARKS

SASKATCHEWAN—REQUEST FOR DESCRIPTION OF AREA NEAR VAL MARIE-KILLDEER TO BE INCLUDED IN PROPOSED PARK

The House resumed, from Thursday, March 9, consideration of the motion of Mr. Burton:

That an order of the House do issue for a copy of a description of the area which the federal government would like to see incorporated in the proposed second national park in Saskatchewan to be situated in the Val Marie-Killdeer area.

Mr. Judd Buchanan (Parliamentary Secretary to Minister of Finance): Mr. Speaker, this government's aim is to create, with the co-operation of the government of the province of Saskatchewan, a new national park in the short grass prairie area in the southern part of that province. Negotiations are continuing between the Minister of the Department of Indian Affairs and Northern Development (Mr. Chrétien) and the Minister of Natural Resources of the province of Saskatchewan. The channels of communication are open, but there are still several questions to be resolved before agreement is reached. In all negotiations with provincial governments concerning the establishment of national parks, it is the responsibility of the provincial government, once agreement has been reached on all aspects of creation of the park, to acquire and transfer the lands within the agreed boundary, whether they be provincial Crown lands or private lands, to the federal government for national park purposes.

Agreement on precise boundaries for this proposed park has not been reached. The delineation of boundaries is only one aspect of negotiations concerning the creation of a national park. Resource potential, natural features and possible effects on persons living and working in or near the proposed park area must all be considered together and by the two governments.

The release of information about one aspect of the present negotiations could seriously prejudice the possible outcome as it would be a breach of confidentiality always maintained in negotiations of this nature. This is even more important as the province is responsible for the eventual transfer of lands in general. Before a provincial government agrees to a precise boundary and transfers land for the purpose of a national park, it will decide upon its own priorities between various possible uses of the land. Boundaries considered in negotiations between the federal government and a provincial government are assessed in the light of these provincial priorities and therefore the feeling is that the federal government cannot unilaterally at this point disclose details of these negotiations.

Mr. John Burton (Regina East): Mr. Speaker, I listened very carefully to the remarks of the hon. Parliamentary

Secretary to the Minister of Finance who gave quite a concise and objective statement of the state of affairs, as I understand them, involving the negotiations for this particular park. I commend him for it. I should like to note, however, that one of his points was there would have to be negotiations to obtain the title to land which is not Crown land, land already in the name of the province of Saskatchewan. The fact is, however, that most of the land under consideration is presently owned by the Crown; very little is privately held, although a portion of the Crown land is under lease for grazing purposes at this time.

There is no question that many people would like to see a park created in this part of the province. A good deal of information has been made available by the government on this subject, and the last time it was discussed I pointed out that, in response to a motion for papers, I received a two-inch thick volume of material. This has been very useful to me and to the hon. member for Assiniboia (Mr. Knight) in whose constituency most of the land is located. I received further information in response to one of the particulars contained in the material delivered in response to this motion for papers.

The purpose of this motion is that we would like to have a map or description of the area which the federal government is proposing to include in the park. The parliamentary secretary says that he cannot make it available, that it would release information on one aspect of the negotiations. This is nonsense, Mr. Speaker. The fact is that a good many of the local residents know a great deal about what is going on at the present time. I have no objection to that, but there are a good many rumours going around as well about what is taking place and some of these could be set to rest if the government were prepared to give adequate information. As I think the parliamentary secretary implied, the livelihood of some of the residents in that area will be affected but he says that we cannot get the map.

Mr. Speaker, I know a private individual personally who went to the minister's office and said he would like to get more information on this park. The minister was very co-operative and referred him to one of his officials who showed him a map of that area. Yet, Mr. Speaker, the government is denying members of this House the right to have access to that map. I suppose we could go around the back way and get the map, but I suggest that as a matter of right members should have access to it.

Another aspect of this subject was discussed last Thursday when, at page 689 of *Hansard* the Parliamentary Secretary to the Minister of Indian Affairs and Northern Development (Mr. Sulatycky) is recorded as saying:

> We are simply waiting for the provincial government of Saskatchewan to acquire the land in an unencumbered state and transfer it to the federal government so that a second national park may be established in Saskatchewan—

I should like to put on record a news release issued by the Minister of National Resources for the Province of Saskatchewan subsequent to that statement.

The Acting Speaker (Mr. Laniel): Order, please. I hesitate to interrupt the hon. member but the time allowed to him by special order has expired. According to the same order, it is my duty to put the question to the House.

Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Laniel): All those in favour please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Laniel): All those opposed please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Laniel): In my opinion the yeas have it. I declare the motion carried.

An hon. Member: There are not enough of them!

Mr. Gilbert: Justice triumphs!

The Acting Speaker (Mr. Laniel): Am I to understand that the order also contemplated calling it six o'clock?

Mr. Knowles (Winnipeg North Centre): That is true, Mr. Speaker. We had expected to have to take a recorded vote which would have taken us to six o'clock. Since that has not been necessary we suggest you call it six o'clock.

The Acting Speaker (Mr. Laniel): Is it agreed we call it six o'clock?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Laniel): The hour appointed for consideration of Private Members' business having expired, I do now leave the chair until 8 p.m.

At 5.21 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS ACT, 1972

AUTHORIZATION OF FISCAL PAYMENTS TO AND TAX COLLECTION AGREEMENTS WITH PROVINCES

The House resumed consideration of Bill C-8, to authorize the making of certain fiscal payments to provinces, to authorize the entry into tax collection agreements with provinces, and to amend the Established Programs (Interim Arrangements) Act, as reported (without amendment) from the Standing Committee on Finance, Trade and Economic Affairs, and motion No. 1 of Mr. Lambert (Edmonton West).

Mr. Robert P. Kaplan (Don Valley): Mr. Speaker, I wish to say a few words on the subject which was raised in this debate by the hon. member for Fundy-Royal (Mr. Fairweather) and by my colleague from Grenville-Carleton (Mr. Blair). This is a subject which was raised when the bill was discussed in the finance committee. It is a subject which has caused me such concern that I have debated earnestly with myself whether I should support the amendment now before us. I find it difficult to understand the amendment although it has been explained to me. I understand it generally.

I have another reservation in respect of this package which is Bill C-8. After all, it is a package proposal. It has been introduced following negotiations. In a sense, it is a document negotiated between the federal government and provincial governments. For that reason I have decided to support the legislation. However, I must tell the Minister of State (Mr. Mahoney) of my grave concern over the situation which the federal government is proposing. I ask the minister if he can assure us that the government is equally concerned about this problem. In the 24 months' period of the present arrangements is there some hope of raising this matter with the provinces? In other words, will the position that I will describe in a moment be brought forward and, hopefully, will something be done about it?

First let me tell the House what the problem is. Under the present fiscal arrangements which are being continued for five years under this legislation we, on behalf of the taxpayers of Canada, pay half the costs of operating the universities of this country. That is to say, universities are administered in the normal way, the provincial ministers are responsible for the contributions which their governments make, the provincial governments determine the extent of university operating costs and the taxpayers of Canada, through the federal parliament, pay half the bill.

Times have changed since I went to university, and that was not too long ago. However, when witnesses from the Association of Universities and Colleges of Canada appeared before us I learned something I did not know, namely, that a policy is developing throughout this country, and in some places it is being implemented of charging higher fees for university students who come from outside the province. This is a proposal in Quebec and British Columbia. A student from another part of Canada who comes to a university in those provinces will be charged $2,500, for example, for one year's tuition whereas a student resident in the province may be charged only $400 or $500 for exactly the same course.

• (2010)

I can understand why the provinces are doing this. I understand why pressure is being put on the universities to restrict entrance, in effect, to residents of their province. It is an entirely fiscal problem, the problem of financing the universities, but I suggest it is a self-defeating operation. In the long run, provinces which exclude out-of province students by charging very high fees will find their policies being adopted by other provinces. We will end up with a situation where Canadian students will not be able to travel to universities which they would like to attend, because of barriers created by provincial policies in the field of education. I oppose these policies and as a Canadian I am very concerned about them. It is good for our universities to welcome students from all parts of Canada and, although it is another issue, they should welcome students from outside our country. It enriches our university community and our country to have this kind of mix. In a country that is concerned about national unity and is as diverse and widespread as ours, for the federal government to watch a development taking place that will prevent students from across this country from having maximum access to higher education is completely wrong.

[The Acting Speaker (Mr. Laniel).]

I know the other argument, that education is a provincial matter. We know the problems that developed when Premier Duplessis refused to accept very nominal amounts offered by the federal government because of the fear they might be followed up by conditions as to the way the money should be spent. Such conditions might be imposed but I say this without hesitation because of my concern that the provinces are embarking on a course that is destructive of national unity. This course will weaken our universities and will weaken Canada; I object to this arrangement.

I would like the federal government to do something about this, but on the other hand I understand it is a negotiated agreement. It will last for only two years so I do not intend to oppose it. I would like to know that the government of Canada is concerned about this problem and that we will not support universities which have a policy of excluding Canadians living outside a province from attending university in the province. I do not think the taxpayers of Canada want that kind of policy to develop. I understand why the provinces are doing this. I know the position they are in, but I do not think we who represent the people of Canada should sit back, pay half the bill and let this development take place.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, although this is my amendment, by arrangement with my colleague, the hon. member for Fundy-Royal (Mr. Fairweather), I let him speak first. To that extent I have drawn some opprobrium as to the nature of my amendment. I want to point out to hon. members who may be baffled by some of the complexities of procedural amendments, and so forth, what I have done. As a matter of fact, the Chair has reversed the position of my amendments. Amendment No. 2 should have been No. 1; that would have made quite clear my purpose in introducing the amendments.

The Minister of Finance (Mr. Turner) and one or two members have wondered about my amendment which appears as No. 1. If there had not been that amendment—it is about the only possible amendment having to do with this feature of education—they could not have made their speeches at this stage. It was for the purpose of bringing forward the point of view that hon. members have expressed supporting the cause of AUCC in this House; otherwise, it would only have appeared in the transcript of the proceedings of the finance committee which is read by a miniscule number of persons. In fact, it only appeared at ten o'clock this morning.

This is a point of view that has found favour. The purpose of this amendment was to give us the framework

or a base for discussion on a point which has found favour on both sides of the House. Perhaps if members looked a little closer at these amendments we would not get statements that only display a lack of knowledge with regard to procedural amendments.

The reason I want this and the other amendment discussed is to reiterate the point of view put forward in part by the Leader of the Opposition (Mr. Stanfield) the other day on second reading. This appears at page 438 of *Hansard*. We discussed the degree of negotiation that takes place under federal-provincial financial agreements. There is a great picture painted. The minister stated this afternoon that the regulations were made after consultation; then he said after "information" to the provinces. "Information" is the word, not "consultation."

This bill represents an agreement reached between the government of Canada and the governments of the provinces. However, they failed to see that the whole of clause 32 unilaterally reserves power to the government of Canada to change the guts of this agreement, the heart and core, by making regulations which only it has to consider without calling in the provinces.

I now wish to turn to the definition of the revenue base, the expressions "revenue source," "junior matriculation" and "post-secondary level." We are talking about part VI of the act. When the federal government has the unilateral power of defining expressions such as "junior matriculation," "post-secondary level," "assisted, sponsored or contract research" and, finally, "operating expenditures incurred for post-secondary education by or in respect of an education institution or secondary institution", it can decide what expenditures it will support and what expenditures it will not support.

• (2020)

It is said the provinces have agreed. But any of the provincial ministers of finance or their equivalents will tell you, Mr. Speaker, that they were most unhappy about this agreement. However, there was nothing they could do about it. This is why I have brought forward the amendment we are considering, to show that this is not what was said by the Minister of Finance or by his supporters in the government. I believe the provinces are definitely unhappy about many features of this arrangement, but there is nothing they can do about it. They are caught. This is why, during the committee meetings, there was all this talk about additional domination by the federal government during every period of renegotiation.

I wish to support what has been said today by my hon. friend from Fundy Royal, by the hon. member for Grenville-Carleton (Mr. Blair) and by the hon. member for Don Valley (Mr. Kaplan) in their strictures against the growing practice of some of the provinces to talk as though we shall see the balkanization of post-secondary education, that we shall see graduated fees coming into effect for residents and non-residents or, what is even worse, that something terrible will be done with foreign students. I have never heard anything so chauvinistic as this idea.

There are different kinds of universities, some teaching disciplines which are not taught in certain provinces. Some students prefer to attend smaller universities. Why not? After all, the government of Canada rebates through the ceding of the four points of income tax almost 50 per cent of the provincial contribution to post-secondary education. But since this is assimilated into the revenues of the provinces, the provinces seem to think they contribute all this money. This is not the case.

One of the things we must avoid at all costs during the period of two years during which a new arrangement is being arrived at is the balkanization of post-secondary education. It may cost the government of Canada something more. No; I should say, rather, that it may cost the Canadian taxpayer more. I find it extraordinary that the provinces should make representations vis-à-vis the government of Canada or vis-à-vis other governments as though they were acting for foreigners, for strangers and gaining advantage for certain people as opposed to others.

I saw an instance of this the other day, expressed in headlines as the words of Premier Bourassa—that he had achieved "a triple victory over Ottawa." A victory on behalf of whom, against whom? A victory on behalf of Canadian citizens against other Canadian citizens? That is a shameful statement to make. It is a shameful attitude to hold. No Canadians can score a victory over other Canadians in such matters. We all pay the same taxes and we are all entitled to the same services. There are different administrations, different regional considerations, but I do not for one moment concede any strength or validity to those arguments.

It is for this reason I put forward the amendment. I do not intend to press it on the House. I trust that having now provided a forum for the discussion of this point, the House will permit me to withdraw amendment No. 1 and then consider amendment No. 2, to which I propose to speak very briefly. My seconder is not here at the moment but I know he would have no objection to this course.

Mr. Deputy Speaker: Hon. members have heard the suggestion which has just been made. Is it agreed that the hon. member for Edmonton West (Mr. Lambert) be permitted to withdraw the motion?

Some hon. Members: Agreed.

Motion No. 1 (Mr. Lambert) withdrawn.

Hon. Marcel Lambert (Edmonton West) moved motion No. 2 as follows:

—That Bill C-8, an act to authorize the making of certain fiscal payments to provinces, to authorize the entry into tax collection agreements with provinces, and to amend the Established Programs (Interim Arrangements) Act, be amended by adding in clause 32 after the word "Act" in line 4 on page 31 the following:

"provided that any regulation made pursuant to any of the above paragraphs shall be subject to a negative resolution adopted by not less than the majority of the provinces both in number and in population at the first plenary session of first ministers of Canada and the provinces or of their respective finance ministers following the making of the said regulation."

Mr. Deputy Speaker: Before the Chair recognizes the mover of the motion, may I say I have some doubt about its procedural acceptability. Hon. members might be prepared to assist the Chair in this respect.

Perhaps the best way to say what I wish to say is by first of all reading part of clause 32:

The governor in council may make regulations—

(g) generally for carrying into effect the purposes and provisions of this act.

As I understand the proposed motion, it would provide that such regulations be subject to a negative resolution adopted by not less than a majority of the provinces, and so on.

Two matters arise for consideration. The first does not cause me much concern at this point. I am referring, now, to the somewhat unusual constitutional aspect of a group or body outside the federal authority in effect rescinding or vetoing an order in council. It does seem to me that this is a matter of importance, possibly one involving constitutional law. Though I would be pleased to hear representations with regard to it, I would not at this point wish to rule the motion out of order procedurally on that basis because I think it is a matter of law rather than a matter of procedure.

The second point is one which does cause considerable concern from a procedural standpoint, namely, whether or not the amendment is of a substantive nature; whether giving provincial ministers of finance authority to suspend or veto the operation of an order in council is really a matter of a substantive nature which is outside the clause the amendment purports to amend. I have no fixed opinion on the matter, but it is something with regard to which I should like to hear representations if hon. members are prepared to assist the Chair.

• (2030)

Mr. Lambert (Edmonton West): Mr. Speaker, may I first of all dispose of the difficulties facing you on the first point. With the greatest respect, it is not the duty of the Chair to rule on the constitutionality or otherwise of a particular motion or matter. I put it to you that this House having given power to a particular body to make an order in council, can just as easily provide that some other body review that order in council and annul it if necessary. The governor in council has no power to make an order in council under the act unless that power is given by this House; and I suggest that what has been given can also be taken away.

Under the Statutory Instruments Act, this House has already provided for an overriding veto by the House, following certain procedures, in connection with orders in council. To my mind it has always been the greatest abuse of the privileges of the House for the governor in council to say that once the House has given authority to pass an order in council, that is the end of the matter and no further review is possible. That is entirely wrong. As I have said, having given the right to do something, the House can take that right away. In this particular case, in giving the governor in council the power to pass certain orders in council the House can certainly grant the right of review to some other body. This is what the amendment provides for.

In regard to the second point raised by Your Honour as to whether this is a substantive matter, we are talking here about the power to review an order in council affecting an agreement embodied in this statute. An agreement presupposes consent of both parties to the agreement. So far as orders in council are concerned, one party arrogates unto itself the exclusive power to make and to

amend the agreement. This House is the ultimate authority in regard to the agreement that is entered into by the governor in council. This House has provided that the governor in council may make orders in council, but that they shall be subject to review on behalf of the other contracting party to that agreement or order in council by convening a meeting of first ministers, including the representative of the government of Canada, or of ministers of finance, including the Minister of Finance of the government of Canada.

Yesterday I asked the President of the Privy Council when action was going to be taken to put into the effect the provisions of the Statutory Instruments Act, which I know is going to be blazoned forth as one of the jewels of some studded crown. The Statutory Instruments Act will be trotted out as some sort of an achievement. I submit not one thing has been done about implementing that statute. So far as the House is concerned, no motion has been introduced. This is what I was objecting to during the passage of the bill, and my colleagues objected as well. We said that the initiative under the Statutory Instruments Act would rest entirely with the government, both as to the composition of the committee and as to amending the rules to make the necessary provision. The Statutory Instruments Act calls for a change to the rules, and this is where we got the definition of a negative resolution. At one time I made reference to that in my motion but I thought it would introduce further complications and procedural arguments.

I have presented this amendment merely because of the default of the government. Yesterday the President of the Privy Council told me he would have to take my question as notice because he did not know the answer. If you were a betting man, Mr. Speaker, I would be prepared to bet you $10 that we will not see any motions presented by the government until after a certain event. This parliament will not see any steps taken in regard to the Statutory Instruments Act until then.

The Minister of State was quite right when he said he recognized that I opposed this type of clause giving blanket authority to make orders in council. I understand, just as well as he or anybody in this House, the efficacy of having the ability to make regulations under a statute. But I object to giving blanket power to make regulations of all kinds under a statute without the power of review.

Since the government refuses to make any move under the Statutory Instruments Act to place regulations under review, I have to provide an alternative and this is the purpose of my amendment. I put it to you that on that score, supported by the arguments I put forward, my motion is acceptable. If there has to be any argument or debate on this particular point, I hope that some government spokesman will come forward on behalf of the governor in council and tell the House when a motion will be presented to set up the appropriate committee under the Statutory Instruments Act and to change the rules to that effect.

Last year we went through an exercise in total futility.

• (2040)

I do not think this House should be played with. I do not think it should be taken through this sort of exercise and

left without recourse. It is for these reasons that I feel this amendment is quite in order. It does not introduce any substantive matter beyond merely the procedure of reviewing the effects of a power granted under a particular provision of the legislation.

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, you have asked for comments on the procedural aspects of the amendment. I agree with the hon. member for Edmonton West (Mr. Lambert) that it lies within the power of parliament to call for a review by an appropriate body of any delegated authority which it may grant to the governor in council or indeed to any other body. I do not think the question is whether it lies within the power of parliament to adopt this but, rather, whether this particular suggestion is appropriate to the operations and principle of the bill as it now stands. Perhaps one of my colleagues will have some remarks to make on the subject of whether or not this is a substantive matter, but I wish to point out that I am concerned about two points.

First, the amendment purports to vest in a body called the "plenary session of first ministers of Canada" powers which this body does not now have. Unions of first ministers or finance ministers have no power to take or implement collective decisions. In each instance this is merely a consultative body and the decision-making process relates entirely to individual undertakings to do or not to do certain things with respect to their legislative masters. This applies to first ministers and finance ministers.

Therefore there is no procedure now, there has not been in the past, nor do I think there is any envisaged whereby this grouping, this coming together of either first ministers or finance ministers, could or should take collective decisions binding on anyone, whether by a formal vote or an informal vote, weighted or unweighted and without a very substantial reorganization, not only of the *modus operandi* but also of the purposes of meetings of first ministers and of finance ministers. I do not think this particular suggestion would work. On that ground, rather than proposing an unworkable suggestion I would hope the hon. member for Edmonton West would withdraw his amendment.

I said I was concerned about two things, Mr. Speaker. The second one is that the hon. member indicated that his purpose in doing this was to compel the government to take action in quite a different arena. This is a subject which I suggest should be tackled and settled on its own merits, without making use of this particular piece of legislation as a means of forcing the government to take action which the hon. member has suggested is urgent and necessary and which has not been approached with the speed and diligence with which he feels it should be approached.

If I understood his words correctly, he would be quite prepared not to proceed with this amendment if he were to get his view accepted by the government with respect to action in relation to another piece of legislation. In recognition of the fact that his suggestion would not work, again I suggest that the hon. member might wish to withdraw his amendment. Also, procedurally I question whether the amendment is in order, given the fact that its purpose is not merely to change the operation of this bill but really to get government action in another field.

Mr. Deputy Speaker: Unless other hon. members wish to make submissions on the procedural point, the Chair is prepared to rule on the procedural acceptability of the motion put before the House for its consideration. As I indicated in my initial remarks, I was not seriously concerned about the constitutional question of giving authority to a body outside of the federal authority, if I may use that term again. The hon. member for Edmonton West (Mr. Lambert), and, I believe, the President of the Treasury Board (Mr. Drury) did not disagree with him, said that this is a question of law that is not the concern of the Chair. I raised it only in a preliminary fashion so that hon. members would have it in mind and so that if they felt I was in error in that respect they could argue the point. I need not deal further with that aspect.

The second point in my preliminary remarks concerned the substantive nature of the motion and whether it was in fact beyond the four corners of the clause of the bill that we have before us. Again, I do not think the President of the Treasury Board has any quarrel with the hon. member for Edmonton West, and indeed I have no quarrel with the hon. gentleman in this respect. I think we are in agreement that there is no question but that it lies within the power of parliament to provide for a review of regulations when it makes provision for their enactment. Of course, it is within the authority of parliament to provide for a review or check on those regulations. So I do not have any concern about that matter.

My only concern is whether or not the check or the veto, if I may call it such, which is provided for in the motion goes beyond the scope of the clause of the bill that the House has before it. The hon. member for Edmonton West argued with respect to the Statutory Instruments Act and appeared to be critical of the government on that point. I am not going to base my decision on his argument in that respect. The President of the Treasury Board indicated that if the hon. member for Edmonton West was chastising the government for its inaction in certain other areas, he should not use this particular vehicle. I agree with that.

That leaves me with the consideration of whether or not the motion before the chamber is of a substantive nature, that is, whether it goes beyond the scope of the clause that it purports to amend. It is quite a substantial change, but I am going to allow the motion because it does seem to me that while the authority respecting the veto may be substantially different than the power given to the governor in council, I would not want to say as to what degree or where a checking power, if I may use that term, a power of vetoing or checking the authority given to the governor in council goes beyond the authority contemplated in the bill. In other words, I would not want to say at what point the authority to provide a check or veto goes beyond the original thought of parliament in enacting the clause of the statute. For those reasons I shall allow the amendment. The motion has been put to the chamber and it is not necessary for me to read it again unless hon. members wish me to do so. It is before the chamber for debate.

• (2050)

Mr. Lambert (Edmonton West): Mr. Speaker, I shall not impose on the House much longer. Arising out of the discussion we have had, I should like to say that the purpose of my amendment is that any negative resolution,

as I indicated in my motion, would not ipso facto have the effect of negativing the order in council, but I think no governor in council faced with a negative resolution would dare maintain such a regulation. That is a point which would have to be considered, obviously, by the governor in council. It seems to me it is inherent that if there is to be an agreement there is much to be said for it being between equals. Yet in the statute which embodies the agreement maybe 50 per cent or 60 per cent of the power is reserved unilaterally to the governor in council without consultation with or consent of the provinces. This I find fundamentally wrong.

If there is something that has to be highlighted on behalf of the provinces, then so be it. After all, I would hope that during the course of this debate either the President of the Treasury Board (Mr. Drury) or the Minister of State (Mr. Mahoney) could give us an undertaking on behalf of the government with regard to the other matter of the Statutory Instruments Act. I have raised this question because the Statutory Instruments Act applies to clause 32 of the bill. It is to apply to every section of every act authorizing the governor in council to make regulations.

Months have now passed since the passage of the act, and nothing concrete has been done. It may be that through, shall we say, informal channels some work has been done, but nothing has been done with regard to this or any other act and the House is being asked to pass this bill giving the governor in council carte-blanche again. The governor in council may make regulations generally for carrying into effect the purposes and provisions of the act, with some other definitions in between. There is no undertaking with regard to the Statutory Instruments Act. Parliament passed the Statutory Instruments Act and it is now law. Yet we have the governor in council defying the law that this House passed and then coming along and saying, "Give to the governor in council full power again to make statutory instruments, but we deny to parliament the right to review what this provides for." I say that is unacceptable to this House.

It behooves the government to now tell us when we will have positive action and will see the resolutions with regard to the setting up of the committee under the Statutory Instruments Act and all the appropriate changes in the rules so that they can be carried out. Beyond this I have nothing to add to my argument. This is the purpose of my argument: we must have some form of review of statutory instruments. I would think that if we in Parliament cannot provide for a review then we should let the people who are chiefly concerned, the representatives of the provinces, have the right to review regulations.

Remember, this is not a suspensory form of resolution. The regulation has effect unless revoked. It cannot be revoked at some indefinite time in the future but, rather, at the first plenary session of either first ministers of the provinces and of Canada or the finance ministers of the provinces and of Canada. We have a problem which I want to highlight with my amendment and I hope the House will support me.

Hon. P. M. Mahoney (Minister of State): Mr. Speaker, if we need any arguments to support the proposition that the motion should be defeated, the hon. member for Edmonton West (Mr. Lambert) who proposed it has certainly given them to us. Really, we are being asked to entertain a very serious amendment to a very serious bill that forms the financial framework of our confederation because of his dissatisfaction with what he feels is lack of action by the government in bringing forth procedures under an entirely different piece of legislation, the Statutory Instruments Act.

[Mr. Lambert (Edmonton West).]

I would not denigrate for a moment the seriousness or importance of that act but I do not feel, as important as it may be, that that type of dissatisfaction stands as a valid ground for making unworkable the financial arrangements which exist between the federal government and the provinces on shared-cost programs. This is a curious, if not astonishing amendment to put before the Parliament of Canada. Basically, of course, it would give to provincial governments, provincial cabinets and provincial first ministers—not provincial legislatures and not provincial members—a veto power over changes in a federal program or a series of federal programs.

"The first plenary session of the first ministers of Canada and the provinces" is the expression used in the amendment. Unlike the parliament of Canada or the legislatures of the provinces, the first plenary session of the first ministers of Canada is not something that is bound to meet at any particular time. There have been in our history periods when there have been years between meetings of provincial premiers and the Prime Minister of Canada. There have been other periods in recent years, of course, when these meetings have been very frequent.

It is possible that the financial arrangements on which our confederation is largely based could be established on a basis that the federal government could put forward the regulations and continue the operation of these programs for a period of months or years, and then find that the next plenary session of this particular group could nullify the whole operation. This would be totally unacceptable. This is an exercise in charity and I do, in charity, thank the hon. member for Edmonton West for bringing forward these two amendments, the one that has been withdrawn and the one we are now considering, because they have given members on all sides of the House an opportunity to express their views on very serious matters.

The question of post-secondary education dealt with under the previous amendment specifically is one which must be of great concern to us. I suppose it should be noted that while the bulk of the particular programs that are envisaged under this bill are continued for five years, the post-secondary education program under part VI of the bill is continued for two years only. Obviously, this is a matter that is now under review and under discussion with the provincial governments.

• (2100)

The balkanization of Canada in respect of post-secondary education or in any other respect is not an objective of the federal government. From that point of view I thank the hon. member for bringing these amendments before the House because it has given all of us an opportunity to debate them. However, the amendments per se are manifestly not acceptable, are manifestly unworkable and perhaps having accomplished the purpose for which they

were brought forward, namely, to permit debate in specific areas, the proper thing to do, if the hon. member does not propose to withdraw this one as he did the last, would be to get on with it and defeat them so that we can make sure that these very valuable and worth while fiscal arrangements which exist between the federal government and the provinces of Canada will continue.

Mr. Lambert (Edmonton West): Would the minister permit a question? He defined federal programs as programs which could be affected by the group of provincial premiers. Perhaps he would look at the title of the bill and see that it is the Federal-Provincial Fiscal Arrangements Act. Does he not agree that this is an embodiment of an agreement between the federal and provincial governments?

Mr. Mahoney: Yes, Mr. Speaker, of course but it is a federal program which is proposed to and accepted by the provinces. It is a program that has evolved over the years in a co-operative spirit and one that has worked very well. Nevertheless, it is a program that is based on federal initiatives and as such it is a federal program.

Mr. John Burton (Regina East): Mr. Speaker, I hesitate to lend my support to the amendment that has been moved by the hon. member for Edmonton West (Mr. Lambert) because it seems to me that it has the effect of placing a certain power in the hands of the provinces which does not properly rest with them and should not properly rest with them. I think we should hesitate to adopt any step where the actions of the government of Canada could be vetoed by the actions of not just the legislatures but by the ministers of the provinces concerned, as was pointed out by the Minister of State (Mr. Mahoney).

It seems to me that this would be a totally faulty principle on which to carry on the operations of the federal government. It would be a totally faulty principle for this Parliament to adopt. But having said that, I think that there is a valid area of concern which should be noted by the House. It is, as was pointed out originally in the second reading debate by the Minister of Finance (Mr. Turner), that there is a greater degree of flexibility left in the legislation as compared to previous legislation in this field, that some of the details, some of the particulars of the new formula and the new legislation are to be worked out through regulations. While this has a certain amount of merit because of obvious difficulties and problems in dealing with a very complex problem, I think it does pose some concerns for members of parliament in terms of our exercise as legislators on behalf of the people of Canada in the control of the expenditure of money, because in fact what we are doing by allowing some definitions in other areas to be spelled out in regulations is to determine in a much more precise way than is contained in the legislation the extent to which the federal government will be making payments to the provinces.

It is the case that even some of the principles involved in making payments to the provinces are not fully spelled out, that in fact some of the principles involved in making payments to the provinces and carrying on the various programs contained within this package of legislation will have to be spelled out by regulations. Thus, there is no control by the Parliament of Canada over some of the money that in fact will be spent as a result of the authority granted under this legislation.

It seems to me that there is a deficiency in the legislation and that possibly there has not been adequate consideration of this point so far in the debate on the bill. It would be much more in keeping with the concern which I believe the hon. member for Edmonton West was attempting to express if we were to accept an amendment which would give parliament a greater right of veto over regulations that may subsequently be established, to have such power of veto exercised within the time period that is relevant to the passage of these regulations and which would not be delayed for a considerable period of time.

I hope that in time we will find some way to deal with this problem through the legislation, namely, to provide for whatever degree of flexibility may be necessary and desirable in the legislation while at the same time ensuring that we as members of parliament exercise a proper degree of control and authority over the spending of public money. I am not sure that that has been accomplished in the bill which is before us.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to add to what my colleague has said just two or three sentences. I find it a strange piece of irony that last year the former minister of justice with great fanfare piloted through the House the legislation known as the Statutory Instruments Act. We remember still how keen he was and how sincere he seemed as he expressed the desire that parliament would have the chance to exercise its authority with regard to the growing use of the power of regulation, the power of order in council. Now we have before us a bill in the name of the same individual, the very same person, who is now the Minister of Finance (Mr. Turner) and yet no provision has been made for the powers that were brought before us last year with such fanfare to be used with respect to this bill. To me this is sheer irony.

Mr. Lambert (Edmonton West): Mr. Speaker, I rise on a point of order. Having ventilated the question, I am quite prepared to withdraw the amendment. Certainly I would not divide the House if we could get on to third reading. But I am disappointed that we could not get an indication from the minister that he would take some action under the Statutory Instruments Act. The government can rest assured they are going to be badgered and pushed around by us with regard to the point until they do something.

• (2110)

As the hon. member for Winnipeg North Centre (Mr. Knowles) has said, the very same minister popped all the buttons off his shirt in the pride he had in piloting the Statutory Instruments Act through the House. I should think he would now cover his head in sackcloth and ashes for the government so far as that action is concerned.

With the consent of the House I should like to withdraw the amendment.

The Acting Speaker (Mr. Laniel): Is it agreed that the hon. member for Edmonton West (Mr. Lambert) be allowed to withdraw motion No. 2 which has appeared in his name at the report stage of Bill C-8?

Some hon. Members: Agreed.

Motion No. 2 (Mr. Lambert, Edmonton West) withdrawn.

Hon. C. M. Drury (for the Minister of Finance) moved that Bill C-8, to authorize the making of certain fiscal payments to provinces, to authorize the entry into tax collection agreements with provinces, and to amend the Established Programs (Interim Arrangements) Act, as reported (without amendment) from the Standing Committee on Finance, Trade and Economic Affairs, be concurred in.

Motion agreed to.

Mr. Drury (for the Minister of Finance) moved that the bill be read the third time and do pass.

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, I think there is no doubt that dominion-provincial conferences which deals with various matters are becoming more and more a concern on the governmental scene and that the Parliament of Canada and the provincial legislatures have somewhat less significant roles to play.

If we were philosophers we would simply see this as constitutional change in our time because the constitution is, after all, more than 100 years old. As politicians, though, I think we would like to see more of the action in our own arena. We long to have more clout with regard to some of the great arguments of the day, instead of seeing the marvellous postures that various federal people or various provincial premiers and their ministers adopt in negotiations in public and then, when faced with something like the current piece of legislation, no matter what they said about each other or to each other find out about the buddy-buddy system that has been reached in federal-provincial horse-trading which goes on behind the scenes. One becomes a little wary and perhaps more eager, if more frustrated, to discuss some of the subjects that form the basis of federal-provincial agreements.

We in this party make no apology for the accent we put on federal moneys available for higher education at the second reading debate, in the study by the finance committee, and on the motion that has been presented earlier for discussion at the report stage. Some of us have a feeling that the federal authority and the provincial authorities are treating the costs of higher education as one would treat the juggling of eggs—one would wish to put them aside, one would wish to have some control over their rather fragile nature. The fact is that this is a nettle that has to be grasped by both provincial and federal governments and it is a nettle that concerns us very much in this Parliament.

One of the thoughtful presentations, and indeed the only presentation that came from outside sources on this particular bill came to us because the hon. member for Fundy Royal (Mr. Fairweather) thought that we should hear from the Association of Universities and Colleges of Canada, so they appeared before us. I should like to place some of their comments on record in addition to what was placed on the record earlier. In a submission regarding federally-supported universities and colleges of Canada that was made to the government of Canada by the Council of Ministers of Education and is appendix B to issue No. 2 of the Minutes of Proceedings and Evidence of the Standing Committee on Finance, Trade and Economic Affairs, at page 37 the AUCC brief reads:

[The Acting Speaker (Mr. Laniel).]

> We are concerned that there be adequate support for higher education in the face of the projected increases in enrolments, the growing need for research support and facilities to foster the cultural, economic and social requirements of the country as a whole and its regions, the need to reduce the regional disparities across the country and the need to make provision for the mobility of the Canadian population. Moreover, the question of the number of foreign students the universities of Canada should accept is related to Canadian external policy.
>
> We sense a growing demand for continuing university education on a full time and part time basis for retraining, upgrading and for general educational advancement. It is our conviction that universities must prepare for a much deeper involvement in continuing higher education than they have in the past.

That covers a fair amount of waterfront. It deals with the preoccupation of being good citizens in the world at large and being of some help to developing countries as well as concern about our own country. The brief goes on to meet one of the great issues of our time which has not yet been successfully dealt with in this parliament:

> There appears to be a growing demand, reflected in our projections, on the part of women for further education to prepare them more adequately for increasing participation in the economic and community activities of society, more informed participation in the activities of the home, and for personal satisfaction. Nevertheless, there are constraints which discourage women, regardless of their ability, from entering university. These constraints include cultural and social attitudes respecting the obligations of women, fewer job opportunities, lower rates of pay and the like.

Mr. Speaker, before redistribution in 1968 I had the honour of representing five or six universities. Under the new boundary arrangements, Halifax-East Hants has only one university, Mount St. Vincent, which is a university largely for women so I am striking a blow for them this evening. What will be the demands on the Parliament of Canada and the legislatures of the various provinces over the next decade from the standpoint of financing the costs of higher education? I admit that this subject makes any minister of finance nervous, whether federal or provincial, because the costs have gone up a great deal. I really cannot see that any restraint or constraint can be placed upon them. This is something that has to be faced, and that money has to be provided. At page 39 of the report the association makes the following projection: in 1958-59 full-time enrolment at universities was 95,000; in 1968-69 it had increased threefold to 293,600; in 1975-76 it is projected to reach 560,000, and in 1980-81, 750,000 almost an eightfold increase as compared with the enrolment of 1958-59. These projections indicate a problem that must be met: it cannot be wished away.

• (2120)

Finally, may I quote further from this thoughtful brief which is many pages long. I have only touched on its highlights this evening. At page 44 we find these words:

> In conclusion we wish to emphasize that the probable enrolment is already in sight and has been measured. If adequate financial support is not forthcoming the universities, having made what economies are appropriate and possible, have two options: turn away students who wish to attend or allow quality to deteriorate. We believe the former to be unacceptable to the public and the latter disastrous for the public good.

There, Mr. Speaker, are a few views on the matter, although they do not cover the entire period covered by

the agreements entered into under Bill C-8 which we are now considering.

The other matter I wish to touch on I raised during the second reading debate on this measure. I gave the Minister of Finance (Mr. Turner) notice at the first committee meeting on Bill C-8 that I would be dealing with this matter when the bill came before the House for third reading. Since the Minister of Finance might still be involved in this bill in his former capacity of minister of justice, I am surprised not to see him here. At any rate, I gave him notice of my intention and I therefore hope some member of the ministry will have the courtesy to give me a response on the point I am about to raise. This is what I said, Mr. Speaker, when the matter arose in committee, as recorded at page 9 of issue No. 1 of Minutes of Proceedings and Evidence of the Standing Committee on Finance, Trade and Economic Affairs:

The point that I made in the House was that as far as I could determine there was really no legality or legislation that I could find that gave any right to the federal authority to collect such taxes—

I was referring to succession duties.

—in those six provinces which are proposing to enter into the succession duty field. I wondered if the Minister, who had been Minister of Justice before, had advised the Minister of Finance then as to whether or not this course could be followed.

I might say, to refresh the memories of hon. members, that this point concerns clauses 9 and 10 of Bill C-8 which empower the federal government to enter into agreements with the provinces for the collection of succession duties. The Minister of Finance replied to me in committee as follows:

I cannot describe to the honourable Member, Mr. Chairman, what advice I gave to the former Minister of Finance when I was the former Minister of Justice, but I can say that the statutory framework for these collection agreements is found in the bill itself. In other words, it provides an umbrella situation for agreements for the collection of taxes to be made under the general statutory authority of the bill.

I then asked:

Am I right then in assuming from the minister's answer that the situation will become regularized by the passage of this measure and that no other authority exists other than that found in clauses 9 and 10.

The minister answered, "Yes, sir." That, Mr. Speaker, confirms the point I made originally in this debate, that we are now being asked by the government to legalize more or less an ad hoc arrangement which the government has entered into with the provinces. I submit that no legislative authority exists for such an arrangement and that it is in breach of our constitutional practice and parliamentary practice as they have been followed from the dawn of our parliamentary system. I shall deal with that matter in the remaining portion of my speech before founding my motion on that theme.

The government has given instruction to the banks to restrict the amount of assets which are to be released from an estate and it seems to act as though it has the power to collect succession duties. On March 3, 1972, I quoted part of a letter sent by Mr. J. C. Ruddy, director of the estate and gift tax division of the Department of National Revenue. Actually, the references to the letter begin at page 507 of *Hansard* and continue for several pages. I said that the government cannot claim that it has the power to give these instructions to banks under the Estate Tax Act for that act was repealed when Bill C-259 of the previous session became law. The government cannot claim it has such power under the authority of provincial legislation which is to be adopted.

Of course, we could negate Bill C-8 entirely. That is to say, we could throw it out and that would clearly be the end of any such claim on the government's part. I submit that clause 9 of Bill C-8, dealing with fiscal payments to provinces and related matters, provides that the government of Canada will be entitled to collect estate tax duties after an agreement is concluded with the provinces and after the appropriate provincial legislation is adopted. So far as I know, this is not happening with any one of the six provinces; therefore, I submit that the federal government is acting on agreements and legislation which are not in existence.

The authority for the federal government to prohibit the opening up or removal of any property in a depository or the delivering up of any property held in safekeeping for a deceased person was previously found in the Estate Tax Act. That act required the consent of the minister before such property could be released. As I say, Bill C-259 of the previous session effectively repealed the Estate Tax Act with respect to the death of any person who died after the stroke of midnight on December 31, 1971. Therefore, in respect of the property of these persons the federal government no longer has such authority.

I submit that until a province or the federal government enacts similar legislation there is no authority to require a bank to receive consent before releasing the property it holds on behalf of an estate. Clearly, if some crusty executor or lawyer of the old school got mad with the estate tax division of the Department of National Revenue and wished to raise cain about this matter in the courts of the land, he could. I suggest the courts would have no sympathy for the Department of National Revenue for entering into arrangements that in effect freeze estates in six provinces and say that only on the say-so of the federal district director of estate taxation shall assets be released.

That arrangement has been entered into without a jot or tittle of legislative authority. If some crusty Canadian wanted to test these rights in court now, he would make the Department of National Revenue look pretty sick in any court of the land. I do not know if such a crusty Canadian exists. However, if you read cases in the English law reports you will find that there was such a crusty Englishman. Some of those fellows fight until hell freezes over—

An hon. Member: Be careful now.

Mr. McCleave: —because they will fight over a point of principle. The case I have in mind is *Bowles v. Bank of England,* reported in 1913 Chancery Law Reports, page 57. The case was actually heard in 1912. What I found interesting was the length of the report. It begins at page 57 and ends at page 91 and many pages are devoted to the decision of one member of the court. I am not referring to the court of appeal. I found it fascinating because the report of the argument alone covers 25 pages and the report of the decision only eight. It is fascinating because

counsel involved were among the most eminent of men who ever clapped wig on head and strode into English courtrooms to argue points of law.

• (2130)

It is also fascinating because one lone Englishman asserted principles for all of us against all the might of government and all the best legal brains the Bank of England and the government of that day could produce. From reading the case it sounds as though that lone Englishman, Mr. Bowles, had some legal training but maybe he found it all in the museum or went somewhere to get his law. Anyway, he stood off all the legal forces arrayed against him.

I will now proceed to what the case was all about. I am going to spend a little time on it. It was so well decided that the Parliament of England settled the question by passing a provisional act, the Provisional Collection of Tax Act. This is something we do not have in Canada. It enables the English government to do with estates what the Canadian government is now attempting to do. It was to cure the decision of the Bowles case. They could get away with it in England and in legal standing; we in Canada cannot because we do not have that corrective action.

I will be as brief as I can but I want to make the record complete, if only to tell my grandchildren that I stood in the line of those who thought it was all right that Charles I was separated from his head. I hope I can get others in parliament to share my interest and concern in this matter. After the next election perhaps it will be found that a great number of the public share that particular concern. I quote:

On April 2, 1912, the Committee of the House of Commons for Ways and Means passed a resolution approving of the imposition, for the financial year commencing April 6, 1912, of income tax at the rate of 1s. 2d. in the pound, and this resolution was reported to and adopted by the House of Commons on June 24, 1912.

The dividends on the stock were payable on January 1 and July 1, and on June 26 the plaintiff issued the writ of summons in the present action against the defendants, the Governor and Company of the Bank of England—

Part of his claim was:

An injunction restraining the defendants, their servants or agents, from deducting, by way of income tax or otherwise, any sum whatsoever from the dividend . . . payable to the plaintiff on July 1, 1912, in respect of . . . Irish Land Stock, of which he is the registered owner—

He also asked for—

—a declaration that the defendants, their servants or agents, are not entitled to deduct, by way of income tax or otherwise, any sum whatsoever from the dividend—

All this was done in the face of a resolution that had been passed by a committee of the House of Commons. On June 28, 1912, the plaintiff added another arrow to his bow, or quiver. He asked for—

—"a declaration that the defendants, their servants or agents are not entitled to deduct, by way of income tax, any sum whatsoever from any dividend or interest payable by them upon the public funds or the said public stock before such tax is actually imposed by Act of Parliament"—

This is very germane to the point I am now making. All this is to be found at pages 58 and 59 of the report in the

[Mr. McCleave.]

Chancery Division. On July 1 the Bank of England paid Mr. Bowles his dividend less a certain amount of money. That certain amount of money for income tax was paid into court. The matter then got into the law courts where, as I said, the plaintiff, Mr. Bowles, argued his case in person. The Bank of England had Romer, who was a distinguished King's Counsel of the day, and S. A. T. Rowlatt who later became a judge of the high court. There is a great quotation from the Magna Carta right down to the laws that existed in 1912. At one point Romer, the distinguished counsel for the bank, said rather plaintively:

The Bank is placed in the awkward position of being sued by Mr. Bowles if it deducts the tax, and of being sued by the Inland Revenue if it does not.

That was a perfectly true statement of the bank's position. That is found at page 63 of the report. After considerable argument the case was adjourned. When it resumed the plaintiff was back, again without a lawyer. He continued to argue his case. Mr. Romer was there for the Bank of England. Howard Wright, another distinguished commercial lawyer at the time, was there for the Bank of England having replaced Rowlatt who had been appointed to the high court.

The government got into the act at that point. It had Sir Rufus Isaacs, the attorney general, and Sir John Simon, the solicitor general. I think any lawyer in this House will recognize that these were two of the five or six very distinguished lawyers at the English bar in this century. The Crown did not exactly wander in without the best counsel it could obtain in this matter. I quote further from the argument in the case:

The Treasury, when brought to book by the Comptroller of the Issues of the Exchequer, excused itself by alleging a resolution of the House of Commons; but on the question being laid before the law officers of the Crown, then Sir Robert Finlay and Sir Edward Carson, they decided that the Treasury was wrong and its action unlawful; and Mr. Blain, representing the Treasury, on being asked by the chairman of the Public Accounts Committee, "I suppose you will agree that there was an infraction of the statute?" replied, "After the law officers' opinion we certainly must agree as to that. Of course the Treasury would feel all the more bounded in any future case that nothing of the sort should happen, so far as they could prevent it":

With two more quotations the foundation of my case will be laid on this particular matter. It was stated by the plaintiff in the argument in his brief, and these briefs are very extensively quoted:

The principle that the subject cannot be taxed without consent, or otherwise than by law, is as old as history. It was affirmed by the laws of King Alfred. It was adopted and confirmed even by the laws of William the Conqueror. All the earlier great jurists have asserted it, from Bracton in the Thirteenth century to Sir John Fortescue in the fifteenth century, who in his De Laudibus Legum Angliae says (see translation by Robert Mulcaster, ed. 1567, c. 9, pp. 25, 26)—

I hope *Hansard* will take the spelling found at page 72 of the Chancery Division report; it is quaint.

"The Kynge of England cannot alter nor change the lawes of his royalme at his pleasure"; he can neither change lawes without the consent of his subjects, nor yet charge them with straunge impositions against their wylles." So, too, say the later authorities, from Selden to Hallam, and also the statutes.

It concluded with Mr. Bowles.

I challenge the Attorney-General to present any authority suggesting that the power of taxation is to be found in anything whatever save and except an Act of Parliament.

Sir Rufus Isaacs and Austen-Cartmell, who had joined the case, and Sir John Simon and W. Finlay with them for the Crown, said in their opening statement:

The general propositions laid down by the plaintiff are beyond dispute;

• (2140)

He won the day and the small amount of money taken from him for the purpose of paying income tax which had not been imposed by act of parliament was ordered to be returned to him. You will also be pleased to note, Mr. Speaker, that the judge ordered that the bank must pay the costs of the action. I imagine that the bill of costs when it was drawn up, with all those counsel running around, would amount to a very substantial sum. The monetary return to the plaintiff would be secondary to what happenned when that bill of costs was marched before the taxing master.

In any event, perhaps I can sum up the points I made on second reading, notice of which I gave to the Minister of Finance. I advised him then of the case from which I would be quoting. That is the case from which I have in fact quoted. I say that the federal authority, the Department of National Revenue, without a tittle of right under our constitution or parliamentary practice, issued directives to the banking system of Canada that in six provinces in which people had died since January 1, estates could only be dealt with at the will of federal bureaucrats, that is, people in the former estates tax division of the Department of National Revenue.

I say there is not an ounce of authority for that directive and there will be none until this bill is passed—and there is nothing in it which would seem to make it retroactive—or until provincial legislation is passed. Accordingly, because I feel strongly about this and because the practices of the House have been abused, I now move, seconded by my hon. friend from Peace River (Mr. Baldwin):

That Bill C-8 be not now read a third time but that it be resolved that in the opinion of this House the action of the government in arranging by departmental directive for machinery to collect taxes for several provinces of which Parliament had not yet approved is contrary to established practice and without constitutional authority.

I recognize, Mr. Speaker, that there may be a procedural point involved here. I will be prepared to argue on at least one aspect of the procedural question should Your Honour wish to hear argument tonight. It is possible that you may wish to reserve your ruling until another occasion.

The Acting Speaker (Mr. Laniel): I should tell the hon. member at this point, before I put his amendment, that I have reservations with regard to it, mainly because it appears to go beyond the purview of the bill which is before us. I refer the hon. member to citation 418 of Beauchesne which reads:

The question for the third reading is put immediately after the report from the committee of the whole. All amendments which may be moved on a second reading of a bill may be moved on the third reading with the restriction that they cannot deal with any matter which is not contained in the bill.

Maybe it is an appropriate moment at which to invite the hon. member's comments. The main point I wish to raise is that the amendment does not seem to meet all the requirements, particularly the one which says that an amendment should be relevant to the bill.

Mr. McCleave: I appreciate the difficulty in which the Chair finds itself. I have read the citation in Beauchesne which was applicable when a situation of this kind was discussed in the House on March 24, 1948, the citation then being 710; perhaps it has been changed in the latest edition.

Mr. Knowles (Winnipeg North Centre): That would have been the third edition.

Mr. McCleave: It would have been the third edition, as the hon. member for Winnipeg North Centre (Mr. Knowles) reminds me. The argument I should like to put forward is twofold. First, similar amendments were presented in this House as recently as December last on the occasion of Bill C-259. On that occasion, I suggest the amendment put forward was parallel to the one I am seeking to propose today, which is simply an attempt to indict a practice which has associated itself with the measure before us. Your Honour may wish to withhold a decision on this rather important point until you have had an opportunity to read the relevant extracts in connection with the third reading of Bill C-259.

The other argument I should like to present to Your Honour is this: the principle which could be cited against an amendment of the type I am proposing arises out of a practice which grew up when legislation was dealt with somewhat differently in the House: it went through second reading, which was regarded as the decision of the House on the question of principle, was sent to committee of the whole and finally given third reading. Now, however, the rules provide for a somewhat different procedure. We are often told that the purpose of second reading is to get a bill into committee where its merits can be studied. Then comes the report stage, followed by third reading. The type of third reading we have now, and which many argue is really the decision by the House on questions of principle, is different from the old practice set forth by Beauchesne and other learned authors of the past.

• (2150)

Considering those two points, and inviting Your Honour to look at the rulings which were given by the Chair in the final hours of the passage of Bill C-259, the income tax omnibus bill, perhaps Your Honour would agree with me that my motion is in order, as I so submit.

The Acting Speaker (Mr. Laniel): Order, please. I am sure the hon. member understands that he cannot ask the Chair to rule on the intention of an amendment. The Chair can rule only on the procedural acceptability of an amendment as such.

To my mind, the terms of the present amendment appear to criticize the actions of the government. Hon. members know that according to the rules of the House

an amendment must relate to the content of the bill. It can either refute the bill or must relate to something that is found in the provisions of the bill. I have already referred to the citation in Beauchesne that clearly provides that all amendments that may be moved on second reading of a bill may be moved on the third reading, with the restriction that they cannot deal with any matter which is not contained in the bill. If the hon. member would also refer to the top of page 572 of Erskine May's Parliamentary Practice, seventeenth edition, he will see quite plainly provided:

> As the debate on the third reading should be confined to the contents of the bill, reasoned amendments which raise matters not included in the provisions of the bill are not permissible.

In view of these two citations, it is clear that the hon. member cannot ask the Chair to postpone its decision as to the acceptability of this amendment on the sole ground that it might be, in the mind of the hon. member, a very important question. For these reasons I cannot accept the amendment.

Hon. P. M. Mahoney (Minister of State): Mr. Speaker, I should like to take the five minutes remaining before ten o'clock to rebut very emphatically the suggestions of impropriety imputed by the hon. member for Halifax-East Hants (Mr. McCleave).

It is somewhat astonishing to hear it suggested that the federal government does not have a right to offer the provincial governments its collection facilities through the Department of National Revenue in the case of succession duties or estate taxes that the provincial governments might choose to levy. The whole point of the argument made by the hon. member was not really whether the federal government has this right, as indeed it must have, but rather whether some of the provinces have not exercised proper budgetary procedures in choosing to impose their particular taxes as of and from the beginning of the current year. That is not a subject upon which this body should be asked to adjudicate or to pass judgment.

We have before us in part III of the bill a whole system of arrangements whereby the federal government collects taxes for provinces, I am sure all Canadians would agree at very great savings and to the practical advantage of all. The federal government itself determined when it brought down the budget in June, 1971, that it should discontinue collection of death duties with the inception of a capital gains tax in Canada.

However, this was a tax field that was properly open to the provinces. It was evident that, with the exception of the three provinces of Quebec, Ontario and British Columbia which had theretofore been collecting succession duties, the machinery would not exist at the provincial level to enable the provinces to move into this field should they wish to do so. Therefore, the federal government suggested to the provinces that if four provinces other than the three I have mentioned wished to move into this tax field, the federal government would for a limited period of time make its collection facilities available to those provinces through the Department of National Revenue. That is all that has happened.

The question whether these taxes are properly or improperly imposed is one that will have to be answered by the provinces that imposed them. The federal involvement in this field is purely as a collecting agent. I think it would be most unfortunate, unfair and regrettable if the imputation were left on the record, at this particular hour of the night when the debate is closing, that the federal government has done anything other than fulfil its obligations to the provinces in making available its services should the provinces choose to use them.

[The Acting Speaker (Mr. Laniel).]

Mr. John Burton (Regina East): Mr. Speaker, I want to make some remarks on third reading of the bill, but since I see the clock moving very close to ten o'clock I would ask that we call it that.

PROCEEDINGS ON ADJOURNMENT MOTION

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

The Acting Speaker (Mr. Laniel): The hon. member for Egmont.

Mr. MacDonald (Egmont): Mr. Speaker, I wonder whether there would be unanimous agreement to calling the next question, in view of the fact that the minister is not here and that he indicated to me a few minutes ago in the committee that he would be here. I can then go on in a few minutes.

[*Translation*]

Mr. Albert Béchard (Parliamentary Secretary to Minister of Justice): Mr. Speaker, I rise on a point of order.

The minister is not here but I was asked to answer in his place.

[*English*]

The Acting Speaker (Mr. Laniel): The hon. member knows I would have to ask for unanimous consent of the House. From what the parliamentary secretary has said, there does not seem to be that unanimity, so I think we should proceed.

Mr. MacDonald (Egmont): Mr. Speaker, that was not the same point of order. I was speaking to the minister 20 minutes ago in the committee and he indicated to me that he wished to be here and asked that we hold the question until the second order of business. He will be here shortly. On that basis I do not think there will be any objection.

Mr. Béchard: I agree, Mr. Speaker, and therefore I will be able to leave right now.

• (2200)

The Acting Speaker (Mr. Laniel): Is it agreed that we change the order and put this question as No. 2 on the list?

Some hon. Members: Agreed.

CANADIAN BROADCASTING CORPORATION—DISPUTE WITH NABET—REQUEST THAT CBC ENGAGE IN MEANINGFUL NEGOTIATIONS

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I agree with the course of action that has been taken and am very pleased that the minister who is going to reply to my question is in the House. I hope that the interventions that occurred earlier will not subtract from the time that I have available to present my case. It deals with the NABET-CBC dispute. I fully realize that there is little political mileage to be gained by anyone, especially one who speaks on behalf of the complainants in a labour dispute these days. That is simply an acknowledgement on my part of the particular climate of Canadian public opinion as it applies to strikes.

I believe that the Prime Minister (Mr. Trudeau) is convinced that his predecessor, Mr. Pearson, made a gross error in ever permitting strikes in the civil service at all, and the present government strategy, whether we are talking about the air traffic controllers, the airport technicians or the CBC technicians, is one of foot-dragging for the specific purpose of encouraging the build-up of a negative opinion with respect to strikes, to the extent that frustrated Canadians will rise up as a man and demand a system of compulsory arbitration in labour disputes in the public service. I am very pleased that the President of the Treasury Board (Mr. Drury) looked up at that point, Mr. Speaker. I am pleased if I reached him. It does not seem to matter whether the particular component of the public service affected by a dispute is essential or not in the public interest.

The NABET strike-lock-out routine with the CBC has gone on since January 22. These men and women, employees of the CBC, were pushed into the position they now occupy because ever since May, 1971, the CBC has refused to budge from its initial working conditions and wage offer. Someone has said, and his name escapes me even though I consulted the hon. member for Winnipeg North (Mr. Orlikow) on the source, that justice delayed is justice denied.

It is always easy to blame labour for the interruption of a popular broadcast such as NHL hockey, particularly if one does not take the time or trouble to identify where the blame really lies. Our affable Minister of Industry, Trade and Commerce (Mr. Pepin) has a line that he often uses in this House, based on a popular song. He often says that it takes two to tango. But, Mr. Speaker, it also takes two sides to negotiate. When one side solidifies, then productive negotiations cease. I believe that has happened for the past ten months with the CBC and NABET, but recent calls by NABET for a summit meeting with the President of the CBC have produced some result. Apparently there is to be such a meeting tomorrow. I am extremely happy with this but I would like to know the basis for the inflexibility shown in this dispute. Why has it gone on so long before this summit meeting takes place?

Sometimes I wonder if it is the death wish of the CBC. I also wonder, and I hope I will be excused for my suspicion, if there is some kind of link between the Liberal government and the treasury board that seems to motivate or occasion deliberate and identical tactics which the treasury board introduces no matter what the particular bargaining component concerned happens to be.

All of us have observed, and I regret this personal inference, that Mr. Davidson, the president of the CBC has rather large ears. There is a strong, positive correlation between large ears and acoustical sensitivity. I point out that Mr. Davidson is a career civil servant and he does not like noise. I believe that the reason he is president of the CBC today is to keep things quiet. After people such as his predecessors met with trouble and controversy with programs such as "This Hour has Seven Days" the government was on the lookout for someone to clamp the lid down for at least a few years. I think the president of the CBC has done this with considerable success.

But what I am concerned about is the outright neglect and waste not only of the taxpayer's interest but also of his money. It has been estimated that the NABET strike has cost Canadian taxpayers between $5 million and $10 million to date from the time it started. I do not know; it depends on how one looks at it. I do not have with me the accounts of the President of the Treasury Board and I do not have his ability to figure. But I believe it would be much more simple and far less costly in terms of morale and finance if there had been a settlement a long time ago, because the ultimate figure probably will not be much more than $6 million, $8 million or $9 million. I do not think that was the strategy. I think public opinion was built up behind a particular strategy so that the government could call for a board of arbitration in respect of this dispute. I believe there would be a good deal of support for this. I am sorry to say so, but I believe this is the situation.

So the government's strategy is working. I regret it, but I think that is the case. The CBC is supposed to be an independent Crown corporation. I do not believe it is independent of government influence. I do not understand how anyone could listen, for instance, to Ron Collister interviewing the Prime Minister (Mr. Trudeau) and still believe the CBC is an independent Crown corporation.

I think the sinister implication of a prolonged strike, however disparate the position taken by the French director Raymond David, will ultimately occasion the death of the CBC as we have come to know it and to depend on it in its role as a public broadcaster in Canada.

The Acting Speaker (Mr. Boulanger): Order. The time of the hon. member has expired.

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, the form of the hon. member's question somewhat surprises me. First of all, I don't see any connection with the principle of the CBC employees' right to strike, which has never been questioned. I believe there must be some confusion in the mind of the hon. member when he glibly speaks of the "lock-out" which the CBC is alleged to be perpetrating since January, without the slighest reference to the rotating strike which the union is not making any secret about, I believe, and which has been carried out quite openly.

I also fail to understand how he can, in the same breath, mention the interference of the Treasury Board in a

Crown corporation while calling for respect of the CBC's independence in its negotiations, and at the same time say we are guilty of non-interference in this labour conflict because the government did not intervene in the internal affairs of the CBC, leaving settlement of the dispute to the management of the corporation.

At any rate, I feel that the hon. member's most important point is what I wanted to tell the House tonight, that upon the invitation of the president of the CBC a summit meeting has now been arranged between the union leaders on the one hand and the management of the CBC on the other hand, together with two executives of the union and of the corporation.

I should just like to abstain from comment and hope that this renewal of direct negotiations—which I had hinted at in my reply to a question in the House yesterday or the day before—will lead to settlement of the dispute.

In closing, Mr. Speaker, I should also like to answer the hon. member who enquired about the financial losses caused by the strike, that is the hon. member for Winnipeg North (Mr. Orlikow). The CBC is in the process of studying the financial results of the strike, to establish what gains and losses were incurred. I believe the figures the hon. member quoted are far removed from the facts but, still, we will have to wait for the CBC's figure to solve the matter.

• (2210)

[*English*]

AGRICULTURE—POTATOES—RESPONSE TO REPRESENTATIONS FOR ACTION TO RELIEVE DEPRESSED MARKET—POSSIBLE DIVERSION TO STOCK FEED

Mr. David MacDonald (Egmont): Mr. Speaker, I rise again to deal with what is becoming almost not a day by day but an hour by hour issue between the people of Prince Edward Island and the Minister of Agriculture (Mr. Olson). I think that somewhat innocently enough negotiations began last fall with respect to the disposition of the agriculture stabilization board to assist in dealing with the orderly marketing of potatoes and hopefully the establishment or the improvement of the general level of income received by farmers for their produce in potatoes. On March 4 a telegram was sent to the Minister of Agriculture, a copy of which was sent to me and others, which reads as follows:

> The potato committee of N.B. and P.E.I. held a joint meeting on March 4. The two committees unanimously agreed to urge that all potatoes committed to the price stabilization board be deleted from federal potato storage holdings report of March 1. We also urge that immediate disposition of committed product be undertaken and that the means of diversion used in any area be the most suitable for the producers of that area. We urge your fullest co-operation.
>
> Ira Lewis, Chairman, P.E.I. Potato Co-ordinating Committee.
>
> Fred McCain, Chairman, N.B. Potato Industry Committee.

Following that, I tried on one or two occasions to raise this matter with the Minister of Agriculture, who was not available. Initially I raised it with the President of the Privy Council (Mr. MacEachen) who last Monday was reporting for the Department of Agriculture. He indicated that the board was not prepared to take a decision. This produced a second telegram from the chairman of the P.E.I. committee which reads as follows:

> P.E.I. Potato Co-ordinating Committee is dismayed at recent stabilization board statement that they are not prepared to sell back committed potatoes for livestock feed purposes. In view of wholehearted support for this use by all segments including Potato Dealers Association and Minister of Agriculture as expressed to board from meeting February 4 and the fact that detailed procedures for disposal as feed were suggested to the stabilization board by this committee as early as February 8 in Ottawa this decision is acutely disappointing. Our committee emphasizes that every day's delay is costing island farmers money.
>
> Further delay to assess already known stocks for a market that is artificially high due to reefer car shortage is both futile and costly. In view of extremely adverse producer reaction to this latest of a long series of delays and the mistrust it is creating we urge in the strongest possible terms implementation of the livestock feeding program immediately according to procedures outlined at February 8 meeting.
>
> Ira Lewis, chairman.

Then this morning there was a further telegram, this time from the president of the P.E.I. Federation of Agriculture, which reads:

> Hereby advising that island potato growers waiting only 24 hours more for decision re diversion program potatoes. If no decision by tomorrow noon permitting livestock feed program proceed immediately we calling mass meeting of all growers involved in Charlottetown and hereby request your deputy Mr. Williams attend this meeting to explain position and delays of stabilization board.
>
> Wallace Wood, president, P.E.I. Federation of Agriculture.

Finally, this afternoon, in the provincial legislature of Prince Edward Island the following resolution was passed. I will not read the whole of the resolution because the "whereases" really reiterate the arguments which were previously put forward. The body of the resolution reads as follows:

> Be it therefore resolved that this Legislature do unanimously approve the resolution supporting the federation of agriculture and other farm groups in their request for an immediate reply for the disposition of the potatoes purchased by the stabilization board.

It is absolutely incredible that the Minister of Agriculture and the stabilization board should at this time, so many days and weeks after the representations received from all levels of the potato industry in P.E.I. plus the provincial government, be unable to explain or inform the agricultural industry of Prince Edward Island their reasons for the delay in dealing directly with this problem. Indeed, as I look at the question I find it not only disturbing but downright confusing.

There are some obvious benefits to be derived from the immediate disposal of the stocks that are presently held. These benefits can be seen firstly and perhaps most obviously in terms of the general level of agricultural need at present in P.E.I. There is a very obvious need at this date in the winter season for extra feed to carry over the various stocks that are being handled in the agricultural segment this year. Secondly, there is the remaining 75 cents per hundredweight that would go into farmers' pockets that should not be overlooked at this point. Thirdly, because of the shortage of reefer cars and the few potatoes moving generally, some very important employment could be provided in the grading of potatoes. Fourthly, the extra grading space available is not inconse-

quential. Fifthly, and this is the strongest argument which the minister himself advanced in the miscellaneous estimates committee yesterday, the disposing of these potatoes would likely raise the market price.

Perhaps in a way the minister tipped his hand yesterday when he dealt with the question. He said he would not want to do that because that was not the purpose of the program at all; it was not to deal with price raises but to ensure the farmers of some kind of minimal return. If that is the only interest that the minister and the stabilization board have, surely that is not sufficient for the needs of the potato growers of Prince Edward Island. The minister continues to talk vaguely about export markets. What export markets? When? I know as sure as I stand here that two or three weeks from now when the minister makes a decision it will be the same as it could be today, and that is to divert these 600 or 700 carloads of potatoes for badly needed stock feeding.

I cannot understand, nor can anyone in Prince Edward Island, why in the first instance the minister does not reply and meet with the individuals directly involved and, secondly, explore the matter in the most direct way possible.

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, there are a number of very serious inaccuracies in what the hon. member has said, and in the three minutes allotted to me I want to point them out as clearly as I can. In the first place, the purchase program was, if you like, indeed a cash advance of 75 cents per hundredweight with a further 75 cents available to the producer when he was called upon to deliver the potatoes. The fact is that today those potatoes are selling anywhere from 30 cents to 50 cents per hundredweight over the $1.50 we guaranteed.

If we call them forward from the producers and call them at $1.50, where is the justice in that to the individual farmer when there is a rapidly escalating market at the moment where he may want to sell them? He could then refund the cash advance we have made and take advantage of the price higher than $1.50 per hundredweight. The hon. member seems to completely ignore the case of farmers who have taken this cash advance and who may have an opportunity, which is manifest right today, of probably getting another 30 cents to 50 cents.

If we were to call for delivery of the potatoes today, which we have a right to do, and pay him the other 75 cents he would only get $1.50. When the market is escalating as it is and he wants to give back to us the interest free cash advance, then he can avail himself of the market which is higher. There is justice involved in that.

If we were to divert these potatoes to livestock feed, whose potatoes would we call? We would have to call them from individual farmers, and this is nonsense. Are we going to deny them the right to avail themselves of the higher price? I do not think that we are, or that we ought to. I think the hon. member should take this into account. He complains that there are no reefer cars. I checked today and I know there is a shortage, but at the same time there has been a reasonably good movement of potatoes compared with this time of the year in other years. So it is not fair to say that is the whole reason.

We introduced this program for the purpose of raising the price at least above $1.50 because each producer knew he could get that much from us. We tried to make it clear, in spite of their attempt to cloud the issue, that if the farmer could avail himself of a price in the market higher than $1.50, that opportunity would be open to him. I intend to see that the individual farmer has that opportunity.

• (2220)

[*Translation*]

CRIMINAL CODE—ABOLITION OF CAPITAL PUNISHMENT—REVIEW BY HOUSE DURING PRESENT SESSION

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, on Tuesday March 14 last, I put the following question to the Prime Minister (Mr. Trudeau):

> In view of the fact that on December 29, 1967 the House of Commons deemed advisable to amend section 202A(2) of the Criminal Code, dealing with capital punishment in Canada, with a few exceptions, made the amendment to remain in force for a five-year period ending on December 29, 1972, can the right hon. Prime Minister tell the House whether he intends to have the House deal with the matter this year, during the present session?

The Prime Minister answered that he did not intend to broach this matter during the present session.

Mr. Speaker, I think that the question should be submitted to the House as soon as possible. A few months ago, I sent to the 18,000 family heads of my constituency a questionnaire in which I asked them to state their opinion on that controversial issue. I received 4,752 answers. Therefore, over 25 per 100 of the citizens of my constituency took pains to send me their answer in Ottawa. As you undoubtedly realize, that percentage is quite significant and shows that this problem concerns my constituents as does any other event in French Canada.

Of all respondents, 322 stated that they thought it better to leave the law unchanged and 4,250 asked that the legislation be amended and that the death penalty be restored. Hence, roughly speaking, 92.6 per cent of the people in my constituency want the restoration of capital punishment. Moreover, the results of a poll conducted by the Canadian Press among federal members of Parliament indicated that 77 per cent of the people's representatives wish to revert to the wording of the 1967 Act.

Mr. Speaker, so as to enlighten hon. members' memory, I should like to call their attention briefly on a few changes brought to the legislation since 1961. In 1961, murder was considered as capital in all instances and the permissible verdict was capital punishment in all cases if the judge so decided.

In September 1961, murders were differentiated in two very distinct categories. First, capital murder could entail capital punishment and was defined as premeditated murder or the murder of a police officer, a prison guard or any other law officer. In addition, murder committed during the perpetration of another criminal act entailed the possible application of the same verdict.

The second category was that of non-capital murder, which entailed a possible sentence of life imprisonment. All other murders were classified in this category.

Lastly, on December 29, 1967, the legislation was changed for a five-year trial period, or until December 29, 1972. Under the amended legislation presently in force, capital punishment, as provided for capital murder, applies only to murderers of officers of the law. All other murders are subject to life imprisonment.

Thus, by amending Section 202A(2) of the Criminal Code in 1967, we did not abolish capital punishment, but we limited the meaning of the phrase "capital murder". Thus, nowadays, the man who kills a cashier during an armed robbery only gets a life sentence. If under the same circumstances he kills a policeman or a constable, he can be sentenced to death, if the judge or jury so decide.

In short, Mr. Speaker, when we ask that capital punishment be reinstated, we want to phrase "capital murder" to apply to cases other than the murder of a policeman.

I think I should point out to the House a few statistics which show conclusively that there has been a frightening rise in crime since 1967, especially in Quebec. In 1967, there were 52 murders in Quebec; in 1968, 91, and in 1969, 128.

Admittedly, the rate of population growth increased as well, but there was an extraordinary increase in the number of murders committed. For instance, the ratio of murders was 0.7 for 100,000 people in 1966. In 1969, for the same number of people, the ratio rose to 2.1. In Quebec, there has been almost a 55 per cent increase in the number of murders since 1967, whereas the average increase in Canada and the United States was 10 per cent.

Therefore, we face a major problem, and despite what the Prime Minister may think, it is urgent to find a solution. Personally, I do not like at all the differentiation made in the present act, and by which the life of a policeman is considered to be more valuable than that of other citizens.

It is true that some policemen do dangerous work but, among us, who will not at least once in his lifetime have the opportunity of helping justice by stopping a criminal or surprising a thief red-handed?

In any event, the law as it now reads is not logical. Since the amendment in 1967, three policemen have been killed in Canada. The three criminals were condemned, and this government has pardoned the three by sentencing them only to life imprisonment. I suggest that the criminal who kills a cashier is just as guilty as if he killed a policeman. I can see no difference whatever in the gravity of the crime.

The Acting Speaker (Mr. Boulanger): Order. I regret that I have to interrupt the hon. member, but his time has expired.

[*English*]

Mr. Barnett J. Danson (Parliamentary Secretary to Prime Minister): Mr. Speaker, in response to the hon. member for Richmond (Mr. Beaudoin), I really had not intended to debate the whole question of capital punishment in this country. I think the question to the Prime Minister (Mr. Trudeau) was, when it is intended that the legislation will be presented and when will this House debate it?

I assure the hon. member there will be legislation introduced in the House well in advance of December 31, 1972, which is the deadline, and in ample time to provide the fullest possible debate and decision prior to the expiry of the five-year trial period. I think that is the important point which the hon. member is trying to make, and the important commitment that the government makes.

The questionnaire of which he speaks which was sent to his riding cannot help but reflect the feelings of his constituents in Richmond. Perhaps the hon. member is guided by this. However, there are questionnaires and various polls, the Gallup poll and statistics on this subject from Statistics Canada. These are all interesting to interpret in whatever may we wish to interpret them.

We have to make certain we understand the reasons behind increases or decreases in certain types of crimes. The important thing is that we have the fullest possible debate and the longest possible experience prior to introducing new legislaton for full debate when the hon. member and other members of the House will have ample opportunity to express their views and their constituents views on this extremely sensitive matter.

Motion agreed to and the House adjourned at 10.31 p.m.

HOUSE OF COMMONS

Friday, March 17, 1972

The House met at 11 a.m.

ROUTINE PROCEEDINGS

POWER

JAMES BAY HYDROELECTRIC DEVELOPMENT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, under the provisions of Standing Order 43 I rise to propose a motion with reference to the proposed James Bay power project. There is some urgency that the federal involvement in this project be clarified and discussed in an open manner. Premier Bourassa has recently disclosed that he has had discussions on this matter with the Prime Minister, although that hon. member has been very elusive in response to questions.

Mr. Speaker: Order, please. the hon. member should present his motion.

Mr. Aiken: Yes, Mr. Speaker. I therefore move, seconded by the hon. member for Peace River (Mr. Baldwin):

That in the opinion of this House the government should set up an interdepartmental committee to work with the appropriate parliamentary committee to co-ordinate the federal responsibility such as Indian affairs, navigable waters, environment, in the James Bay power project.

Mr. Speaker: The motion submitted by the hon. member under the terms of Standing Order 43 requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: I am not sure whether there is unanimous consent. I will inquire again.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: The nays are now more hearty. Apparently there is not unanimous consent.

* * *

[*Translation*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

MEASURE TO CHANGE NAME OF CONSTITUENCY

Mr. Rosaire Gendron (Témiscouata) moved for leave to introduce Bill C-172, an Act respecting the Electoral Boundaries Readjustment Act.

Some hon. Members: Explain.

Mr. Gendron: Mr. Speaker, I think that this bill is self explanatory and does not require any special comment, except to say that it tends to add the name "Rivière-du-Loup" to the constituency of Témiscouata, so that we may again use the very well known name of "Rivière-du-Loup—Témiscouata".

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

[*English*]

ORAL QUESTION PERIOD

AUDITOR GENERAL

REQUEST THAT REPORT FOR YEAR ENDED MARCH 31, 1971, BE PUBLISHED EVEN IF PARLIAMENT NOT IN SESSION

Mr. G. W. Baldwin (Peace River): Mr. Speaker, in the absence of the Minister of Finance, who is probably seeing whether it is safe to prepare a budget, I will direct my question to the Prime Minister. Having in mind the statement made by the Auditor General that his annual report for the fiscal year ended March 31, 1971, will not be available to be presented until May of this year, will the Prime Minister assure this anxious House and the country that, if Parliament is not then in session, the report and its contents will be made public right away?

Right Hon. P. E. Trudeau (Prime Minister): The question is hypothetical, Mr. Speaker.

Mr. Hees: What about what you said to the blonde the other day?

• (1110)

Mr. Baldwin: I should like the Prime Minister to review that answer in view of the fact that if an election campaign is then pending and as government waste and extravagance will be one of the main issues in that campaign—

Mr. Speaker: Order, please.

Inquiries of the Ministry

TRADE

UNITED STATES DISC PROGRAM—MEASURES TO COUNTER EFFECTS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce. As it is more than three months since President Nixon signed the DISC act in the United States and in view of the fact that this legislation is expected to increase United States exports by $1 billion annually, mainly at the expense of Canadian producers, has the government yet prepared measures to counter the effects of DISC?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): The hon. member was slightly wrong the other day when he raised this issue as a question of privilege and asserted I had misled the House, or something to that effect. What has appeared in the United States is a handbook, a guide to understanding of the DISC program.

An hon. Member: Answer the question.

Mr. Pepin: I am coming to it. The main regulations in connection with the DISC program are not out yet; consequently it is very difficult to know how much the program will affect us. As I said the other day to the Leader of the Opposition, if the hon. member has some information to give us we shall be delighted to receive it. All the figures he has quoted this morning are guesstimates and not at all—

[*Translation*]

Mr. Speaker: Order. I would like the hon. minister to resume his seat. In my opinion, he is engaging a debate with the hon. member.

[*English*]

The hon. member may ask a supplementary.

Mr. Broadbent: I would be glad to pass to the minister a copy of the New York *Times* of December 10 in which the details are given. Since the DISC legislation is in flat contradiction of both the spirit and the letter of the Canada-United States automotive agreement, has the Canadian government informed Washington that the pact has been violated?

Mr. Pepin: There is no disagreement between us. We agree that DISC is a very bad piece of legislation. It violates GATT. It violates the auto pact agreement. But I understand the automobile manufacturers in the United States have no intention of using it. So before making threats, before committing ourselves to legislation counteracting DISC, it would be wise to know what effect it will have, and it is too early in the game to know that.

Mr. Broadbent: A further supplementary.—

Mr. Speaker: Order, please. This exchange is really developing into a debate, but the hon. member may ask a last supplementary.

Mr. Broadbent: Thank you. I understood the minister to say that the auto manufacturers have agreed not to use the DISC legislation. Can he advise the House whether the parts industry, which affects over 100 communities in Ontario alone, has given assurances to the government that it does not intend to use the DISC legislation?

Mr. Pepin: No assurances have been given, but I repeat that efforts are being made to collect as much information as possible on this subject. The Americans themselves do not know with any precision. I understand that very few companies have used the handbook, the guide; very few have filed applications. I repeat, it is too early to judge. We shall be delighted to receive estimates or forecasts by any knowledgeable people, including the hon. member, but before making moves to counter possible effects we have got to know more.

* * *

[*Translation*]

AGRICULTURE

PAYMENT OF PREMIUM TO PRODUCERS OF NON-CLASSIFIED HOGS

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, in the absence of the hon. Minister of Agriculture and his parliamentary secretary, may I direct my question to the right hon. Prime Minister?

Can the Prime Minister indicate to whom the Department of Agriculture will pay subsidies for live hogs that were auctioned by farmers and for which the farmers have no classification certificates?

Right Hon. P. E. Trudeau (Prime Minister): I am pleased to take the question as notice, Mr. Speaker.

* * *

[*English*]

THE CANADIAN ECONOMY

FOREIGN INVESTMENT—SUGGESTED UNWILLINGNESS OF UNITED STATES TO RESUME AUTO PACT DISCUSSIONS UNTIL POLICY ANNOUNCED

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. As reports coming out of Washington clearly indicate that the United States government is not willing to proceed with discussions on the auto pact until the Canadian government makes known its policy on foreign investment in Canada, can the minister advise the House when this policy will be announced and when the discussions will be able to proceed?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, the connection between the discussions on the automobile agreement and the statement of policy on foreign investment is one with which I am not familiar. I do not think that any such connection exists. Certainly the United States negotiations have never raised it in any discussions we have had with them. Personally, I would welcome a statement on foreign investment as early as possible because I think it would be helpful. I do not see why my hon. friend makes a relation between the two; certainly he has no grounds for doing so.

Mr. Hees: Mr. Speaker, I suggest that if the minister checks in Washington he will find out that what I say is true.

POSSIBLE RELATIONSHIP BETWEEN DISCUSSIONS WITH UNITED STATES ON CANADIAN EXEMPTION FROM INTEREST EQUALIZATION TAX AND AUTO PACT NEGOTIATIONS

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a supplementary question.

Have there been discussions with the United States government in regard to Canada's present exemption from the interest equalization tax, and are these discussions connected with the discussions on the auto pact?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, this question should be addressed to the Minister of Finance when he is in the House.

FOREIGN INVESTMENT—ANNOUNCEMENT OF POLICY BEFORE VISIT OF PRESIDENT NIXON TO OTTAWA

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my supplementary question is directed to the Prime Minister. Can the right hon. gentleman say whether or not the government's policy on foreign ownership will be made public before the visit of the President of the United States to this country in April?

Right Hon. P. E. Trudeau (Prime Minister): I cannot say for sure, Mr. Speaker.

RELATIONSHIP OF TRADE NEGOTIATIONS WITH UNITED STATES TO DISCUSSIONS ON CLEANING UP GREAT LAKES

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I have a further supplementary question for the Prime Minister which is related to the question of foreign investment and cleaning up of the Great Lakes. Have there been any discussions with regard to cleaning up the Great Lakes as related to the whole question of Canada-United States relations and the trade pact?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, there have been discussions on the subject of Canada-United States relations, but is the hon. member speaking of the auto pact? What trade pact is he referring to?

Mr. Aiken: May I ask the Prime Minister whether the auto pact and other trade matters are directly related to the discussions concerning the clean-up of the Great Lakes?

Mr. Trudeau: Mr. Speaker, I see no possible relation between them.

Mr. Hees: A further supplementary question, Mr. Speaker. May I ask the Prime Minister whether he has finished reading the book that took up so much of his time and interest yesterday afternoon?

Mr. Speaker: Order, please.

Mr. Trudeau: It was a very good book.

* * *

[*Translation*]

AGRICULTURE

FEED GRAIN—REPRESENTATIONS OF QUEBEC AGRICULTURAL ASSOCIATIONS RESPECTING SUPPLY

Mr. Roch La Salle (Joliette): Mr. Speaker, in the absence of the Minister of Agriculture, I wish to direct my question to the right hon. Prime Minister, since he has already met with the leaders of the organizations which I will refer to in my question.

In view of the fact that the Minister of Agriculture has received this week representations from the Federated Co-operatives of Quebec, the Catholic Farmers Union and the Millers Association, who are asking the government to take a position as soon as possible on the unfair treatment suffered by the Quebec producers in terms of their feed grain supplies, I would like to ask the Prime Minister whether he intends to react favourably to those representations.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will gladly relay the question to the Minister of Agriculture.

* * *

[*English*]

AIRPORTS

RESPONSE TO OBJECTIONS TO SITE FOR NEW FACILITY IN PICKERING TOWNSHIP—REQUEST FOR LIST OF LOCATIONS CONSIDERED

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of Transport and relates to what is regarded by the people of Pickering Township as the ravishment of their area without an opportunity to them of making effective criticisms and representations against the taking over of the area for the proposed airport. The other day I asked whether the minister would file a list of the 50 or so areas—I do not know the exact number—that were given consideration, without, of course, attaching the reasons why each and every one was not accepted. I wonder whether he is prepared to do that now. Would the minister also state, in view of the almost unanimous feeling of the people in Pickering Township that this airport should not be proceeded with, whether the objections they are making at public meetings and otherwise will receive full consideration by the government?

• (1120)

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I can repeat the assurance I gave to the right hon. member a few days ago that any representations, whether they be made directly to me or through the hearing officers on the expropriation procedure, will certainly be given every consideration. I might remind the House

through you, Mr. Speaker, that this is of course a joint endeavour with the government of the province of Ontario. As for the presentation of documentation and that type of thing, I have said that I am prepared to provide whatever is necessary to support the decision that was made. I shall consult with them with a view to seeing what kind of package we can make available which is as informative as possible.

Mr. Diefenbaker: Mr. Speaker, in so far as the province of Ontario is concerned, that is another matter. What we are dealing with in this Parliament and have a right to deal with is what the government of Canada is going to do in connection with the airport. That is the information I want.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. It seems to me that the right hon. gentleman is reiterating the question that was asked in the first instance.

Mr. Diefenbaker: Mr. Speaker, I am not reiterating. Apparently it becomes necessary to repeat rather than to reiterate.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Diefenbaker: Will the minister produce all the documents concerned with the decision, however much I disagree with what is being done? I refer to the documents having to do with the airport that the government of Canada contemplates building. Will the minister give those documents? That is what I am asking for.

Mr. Trudeau: That is a reiteration.

Mr. Jamieson: Yes, that is a reiteration. I assure the right hon. member that I have no difficulty—

Some hon. Members: Oh, oh!

An hon. Member: Just an echo.

Mr. Speaker: Order, please. I would not think it necessary for the minister to reiterate the reply he gave a moment ago. The hon. member for Winnipeg North Centre.

Mr. Diefenbaker: Mr. Speaker—

Some hon. Members: Oh, oh!

Mr. Diefenbaker: I rise on a question of privilege. This does not apply to the minister in question, but questions that are asked are brushed aside with an insouciance—

Mr. Drury: Order!

Some hon. Members: Oh, oh!

Mr. Diefenbaker: —that is not in keeping with parliament.

Some hon. Members: Hear, hear!

[Mr. Jamieson.]

Mr. Diefenbaker: I am trying to get information for people who have a right to be heard.

Some hon. Members: Hear, hear!

Mr. Speaker: The Chair has recognized the hon. member for Winnipeg North Centre.

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VETERANS AFFAIRS

CONSIDERATION OF INCREASE IN BASIC RATE OF WAR DISABILITY PENSION AND VETERANS ALLOWANCE

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Veterans Affairs. In view of representations made recently to the minister by the War Amputations of Canada calling for an increase in the basic rate of the war disability pension, can the minister say whether consideration is being given to those representations?

Hon. Arthur Laing (Minister of Veterans Affairs): Mr. Speaker, the answer is yes.

Mr. Knowles (Winnipeg North Centre): May I ask a supplementary question. Is consideration also being given to increasing the amount of the war veterans allowance?

Mr. Laing: At the present time, no, Mr. Speaker, but an action taken in one place might have consequences in another.

* * *

PUBLIC SERVICE

AIRPORT FIREFIGHTERS' WAGE SCALE—ACTION TO PREVENT FINANCIAL LOSS TO WORKERS EMBODIED IN PROPOSED ALTERATION

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to direct a question to the President of the Treasury Board. In light of the recent series of troubles at Canada's airports, will the minister give urgent attention to forestalling the proposed alteration in the wage scale for airport firefighters, expecially that part which will result in serious financial loss for many faithful workers?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I am not familiar with the circumstances but I will look into this.

* * *

[*Translation*]

MANPOWER

LOCAL INITIATIVES PROGRAM—ADDITIONAL FUNDS FOR QUEBEC MUNICIPAL PROJECTS

Mr. René Matte (Champlain): Mr. Speaker, may I direct a question to the Prime Minister?

Is it correct that the government has agreed to add an amount of $5 million for local initiatives projects submitted by municipalities of the province of Quebec?

Right Hon. P. E. Trudeau (Prime Minister): I am not aware of that, Mr. Speaker.

Mr. Matte: Mr. Speaker, I have a supplementary question.

In view of the statement of the Municipal Affairs Minister of Quebec and since the federal minister said at the time that projects submitted as late as February 7 had been accepted, could the right hon. Prime Minister enlighten the House on that matter?

Mr. Speaker: The hon. member is repeating the same question and I do not think this is in order.

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I would like to put a supplementary question to the right hon. Prime Minister.

Is he for the continuation of the local initiatives program until the next federal election?

Mr. Speaker: Order.

* * *

[*English*]

STATUTORY INSTRUMENTS

INQUIRY AS TO INTRODUCTION OF RESOLUTIONS TO ESTABLISH COMMITTEE AND CHANGE STANDING ORDERS

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I had hoped the President of the Privy Council would remain with us, but in his absence I will direct my question to the Prime Minister. Two days ago I asked the President of the Privy Council a question concerning the government's intention to bring forward appropriate resolutions to set up the committee under the Statutory Instruments Act and to amend the House regulations in order to implement the bill passed by parliament and he indicated he would look into it. Has this matter been discussed by the government, and what is the intention of the government with regard to this very deliberate action on the part of the government, both in bringing in the legislation and then leaving it inoperative?

Right Hon. P. E. Trudeau (Prime Minister): With great pleasure, Mr. Speaker, I will take note of the question on behalf of the President of the Privy Council.

* * *

ENERGY

NATURAL GAS—REFUSAL BY NATIONAL ENERGY BOARD TO GRANT EXPORT APPLICATIONS—REQUEST FOR REVIEW—STEPS TO ASCERTAIN ACTUAL RESERVES

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to direct a question to the Minister of Energy, Mines and Resources. It arises out of the decision made in December, I believe, by the National Energy Board in which it refused applications to export natural gas to the United States. I would refer the minister to Volume 35 of the Minutes of Proceedings and Evidence of the Standing Committee on Miscellaneous Estimates where he will find that Dr. Howland, a witness before the committee, said, first, that they took no account of any reserves in the Arctic and, second, that they took no account of any reserves in the future even though proven reserves have tripled in the ten years since the Borden commission was set up. In light of the fact that Imperial Oil say they now have reserves—

Mr. Speaker: Order, please. The hon. member will appreciate that this is a statement more than a question. He should ask the question as briefly as possible.

Mr. Woolliams: Yes. I am just coming to it. This is a difficult question. In light of the fact that Imperial Oil say they now have reserves of 20 trillion cubic feet in the north which were not taken into account, would the minister, in light of that new evidence and in light of what Dr. Howland said, be prepared to recommend a review by the National Energy Board, particularly before he makes his speech to the Petroleum Association next Tuesday in Calgary?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I thank the hon. gentleman for giving me notice of the question. As I recall the decision of the board last fall, the reserves in the north were referred to by the board as being unquantified and inaccessible. It seems to me there has not been a change in that regard. If the hon. gentleman by any chance is referring to the article in the *Globe and Mail* yesterday he will have noted that the 20 trillion cubic feet was stated as the target of Imperial Oil but the president of that company did not say they had reached the target yet.

Mr. Woolliams: I have a supplementary, Mr. Speaker. I did give the minister notice of the question because it is a difficult one. In light of the fact that the government has no way of measuring these reserves, is the government now prepared to approach Imperial Oil and other companies that have some knowledge of these reserves, particularly in view of the relation of the government and Imperial Oil at Lake Louise, and obtain this information so that western Canada at least will get a fair shake in reference to the export of this commodity?

Mr. Macdonald (Rosedale): Mr. Speaker, as the hon. member knows, the reason the reserves are unquantified is that the field is still in the process of being drilled. Quite naturally, with more drilling experience we may be able to make a better estimate of it. That, of course, still does not get around the problem of bringing the gas to the market over the approximately 2,000 miles from the source.

• (1130)

Mr. Woolliams: Is there any body or any group working for the government to ascertain these reserves in the north, and have they any information from these corporations in reference to their reserves, or are you just shooting darts in the dark?

Inquiries of the Ministry

Mr. Macdonald (Rosedale): As the hon. member knows, the best way to find out is by shooting drills into the ground, and that is what the companies are doing.

* * *

INQUIRY OF THE MINISTRY

Mr. Barry Mather (Surrey-White Rock): Mr. Speaker, I have a question for the Minister of National Revenue. What consideration is being given toward expediting the government's foreign ownership policy, having in mind the fact fears are being expressed, now that Howard Hughes is located in Vancouver, that Premier Bennett may sell him the rest of British Columbia?

Mr. Knowles (Winnipeg North Centre): Answer.

Mr. Speaker: Order, please. The hon. member for Spadina.

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URBAN AFFAIRS

PROPOSED TORONTO METRO CENTRE—REQUEST FOR TABLING OF LETTERS OF INTENT AND AGREEMENTS PRIOR TO ONTARIO MUNICIPAL BOARD HEARINGS

Mr. S. Perry Ryan (Spadina): Mr. Speaker, my question is for the Minister of Transport. It concerns the metro centre proposed to be built over the rail yards in downtown Toronto. Does the minister intend to table the letters of intent, agreements and proposed arrangements made between Canadian National Railways, Canadian Pacific Railway, Toronto Terminal Railways Limited, the Canadian Broadcasting Corporation and other parties before the Ontario Municipal Board hearings in April, or will he be making a statement in the House about the whole proposition?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I question very much whether I can do either in view of the fact this is essentially a private development in the sense of any direct relationship with the federal government per se. Canadian National Railways are one of the participants in the metro centre, and to the extent that they are, I have indicated my support for CNR's participation. Documents relating to that, such as they are and there are not very many—they were just a simple conveyance of information—I will be glad to table. The balance would have to come from other sources.

Mr. Ryan: With respect to the CBC and the proposed exchange of lands and leasing arrangements, would the minister either take it upon himself or in association with the Secretary of State endeavour to get some information that could be put before the House prior to this hearing?

Mr. Jamieson: I will be glad to convey the request to the Secretary of State.

[Mr. Woolliams.]

PROPOSED TORONTO METRO CENTRE—REQUEST FOR STATEMENT ON FEDERAL INVOLVEMENT

Mr. Andrew Brewin (Greenwood): Mr. Speaker, in view of the tremendous importance of this vast development, which affects transportation in the future and many other aspects, will the minister consider making a statement on motions as to the federal concern in this whole project?

Hon. Donald C. Jamieson (Minister of Transport): I will be glad to consider that. I think the difficulty arises from the fact that as of the moment we are not entirely sure exactly what constitutes the whole project in view of the fact there are a number of outside interests involved.

SUGGESTED RETENTION OF TORONTO UNION STATION

Mr. John Gilbert (Broadview): Mr. Speaker, in view of the many representations with regard to the proposed demolition of the Union Station which forms part of the complex, is the minister persuaded that it should not be demolished but should be retained?

Hon. Donald C. Jamieson (Minister of Transport): I am not competent to pass judgment on that question, Mr. Speaker.

* * *

NATIONAL DEFENCE

RENT INCREASES FOR MARRIED QUARTERS—ACTION ON COMPLAINTS

Mr. David MacDonald (Egmont): Mr. Speaker, my question is for the Minister of National Defence who I understand is away for some time. I have tried to give notice to whoever is the Acting Minister of National Defence. It concerns an important matter having to do with the recent announcement of rent increases and rent changes with regard to personnel married quarters both on and off base. Can the acting minister report whether there have been a number of complaints received, particularly from places like Chatham, New Brunswick and Summerside, Prince Edward Island, where service personnel are greatly agitated by this recent decision. If so, what action is being contemplated?

[*Translation*]

Mr. J.-R. Comtois (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, I would like to reply to the hon. member for Egmont.

[*English*]

The weighted national average system of setting charges for married quarters will be discontinued. On April 1 married quarters charges will be established on the basis of CMHC appraised monthly rental by location plus the appropriate charge for utilities provided. CMHC appraisals are based on the equivalent civilian market rental rates in the local area. Therefore it follows that charges for married quarters will differ at each location. This means effectively that charges for approximately 8,200 married quarters—

Mr. Speaker: Order, please. Perhaps the hon. member might keep the rest of the information for the supplementary questions which apparently are going to be asked.

Mr. MacDonald (Egmont): In light of the fact that these very changes that are going into effect on April 1 will in effect mean in some places such as Summerside, P.E.I., that a corporal off base will be paying more rent than an officer commanding on base, I wonder whether or not there can be an investigation into the obvious injustices that will occur under this new system and whether consultations directly with the people involved will be held as there is very great concern about these changes?

Mr. Comtois: Mr. Speaker, for married quarter occupants of the rank of sergeant and below, the increase will not exceed $15 per month. As for others, they will be increased accordingly.

RENT INCREASES FOR MARRIED QUARTERS—SUGGESTED DELAY UNTIL PARITY WITH PUBLIC SERVICE ACHIEVED

Mr. J. M. Forrestall (Dartmouth-Halifax East): I will have to ask you to bear with me, Mr. Speaker. I have two supplementary questions. The first one I want to direct to the President of the Treasury Board. Inasmuch as this new policy is tied directly to the determination by the government to bring about parity between the Canadian armed forces and the public service of Canada, and as parity will not be achieved for at least another full 12 months or more, would the government consider a delay in the implementation of this new rental policy until such time as parity is in fact achieved?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, it is an interesting suggestion. I think, however, that the hon. member is quite correct that the eradication of inequalities is done in two stages and will not be completed until next year. The hon. gentleman may have noticed that the equivalencies in relation to housing are modified or limited; they are not absolute in their application.

Mr. Forrestall: I gather from the minister's reply that he will not consider a delay for a year. I wonder whether he would initiate discussions within the cabinet with respect to a system which would permit Canadian forces personnel who are compelled to a major degree to live in rented quarters during their careers to build an equity, a method through which a portion of their rent could be set aside against their retirement?

Mr. Drury: This is an intereating suggestion. I will certainly be glad to see it explored.

Mr. Baldwin: We give you lots of them.

Mr. Speaker: The hon. member for Saskatoon-Biggar.

Mr. MacDonald (Egmont): I rise on a point of order, Mr. Speaker.

Mr. Speaker: I apologize to the hon. member for Saskatoon-Biggar. He will have a chance to ask his question soon.

Mr. MacDonald (Egmont): I wonder if the parliamentary secretary could respond to the second question regarding whether there will be consultations with the personnel, instead of reading an answer.

Mr. Comtois: I would like to repeat what I said before, namely, that charges for approximately 8,200 married quarters will be reduced.

Mr. Speaker: Order, please. I think the hon. member for Egmont might assume that the question has been noted.

Mr. Forrestall: Ten o'clock, Mr. Speaker.

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TRANSPORT

POSSIBLE SUBSIDIES TO RAILWAYS TO ACQUIRE ADDITIONAL ROLLING STOCK TO MOVE GRAIN

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, may I direct a question to the Minister of Transport. In view of the recent statement of the Canadian Pacific Railway that they would require subsidies from the government in order to acquire the necessary rolling stock and motive power to move grain, have they made any such request or representations to the government through the Department of Transport or other avenues?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, the matter is of course under discussion and has been for some months with both railways. My recollection is that within the last two or three days there has been a letter, I believe, from the vice-president of the Canadian Pacific Railway on this matter. I have asked the officials to give me their opinion on it. On the question of the CNR's participation, I have had a lengthy document from them on the best way in which to provide additional cars and discussed the matter in person with the president yesterday with a view to meeting with him again next week.

• (1140)

Mr. Gleave: Have there been consultations and discussions between the Minister of Transport and the minister responsible for the Canadian Wheat Board on some mutual approach to solve this very serious problem?

Mr. Jamieson: Yes, Mr. Speaker. The consultations to which I referred have in all cases involved either the minister responsible for the Wheat Board or officials and others who report to him.

PROGRESS OF RAILWAYS IN EXPEDITING MOVEMENT OF GRAIN TO VANCOUVER

Mr. Jack Murta (Lisgar): Mr. Speaker, as a supplementary question I would like to ask the Minister of Transport whether he can report to the House today on what progress the railways have made in the last week in the movement of prairie grain to the port of Vancouver in terms of the specific number of carloads per day being unloaded at Vancouver.

Inquiries of the Ministry

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, normally I would have that information before a two o'clock question period, but this is Friday morning and I do not normally get it until later in the day. The only thing I can say in a general way is that the report is that the situation is improving but that there are still problems because of weather conditions.

DISCONTINUANCE OF RESPONSIBILITY ON PART OF CPR FOR MAINTENANCE OF SIDING TRACKS AT GRAIN ELEVATORS

Mr. John Burton (Regina East): Mr. Speaker, as a further supplementary I would like to ask the Minister of Transport whether he has investigated or will undertake to investigate the situation whereby the CPR no longer accepts responsibility for maintaining rail trackage adjacent to elevators, in other words, railway sidings where elevators are located, in view of the change in its operations whereby the CPR no longer maintains section crews at regular intervals?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, all I can say is that I will be glad to look into the question.

Mr. Speaker: Order, please. We will return to this interesting subject in a few moments but for now the Chair will recognize the hon. member for Compton.

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[*Translation*]

FINANCE

PARTIAL WITHDRAWAL OF GOVERNMENT FROM TAXATION FIELD

Mr. Henry Latulippe (Compton): Mr. Speaker, I have a question for the right hon. Prime Minister.

Since the government will probably be transferring certain fiscal benefits to the provinces, such as family allowances in the case of Quebec, could he tell us whether the government intends to withdraw from the fiscal field also to the same extent?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, that is a very complex question. I could just say that, if the federal government were to withdraw from those areas, the have-not provinces could no longer enjoy the benefits they are now receiving and consequently social security in the well-to-do provinces would be adequate whereas the less well-to-do provinces, such as Quebec, for instance, could not have a social security system equal to that of the other provinces.

[Mr. Murta.]

[*English*]

POLLUTION

SASKATCHEWAN RIVER—NEGOTIATIONS WITH MANITOBA GOVERNMENT ON ACTION

Mr. Robert Simpson (Churchill): Mr. Speaker, I have a question for the Minister of the Environment. Can the minister say whether negotiations are continuing between his department and the authorities in the provincial government of Manitoba in relation to a pollution problem on the Saskatchewan River as a result of effluent from the Forest Products plant at The Pas, Manitoba, and, if so, what progress is being made?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, we have been in close contact with the government of Manitoba concerning the necessary plant needed to clean up the effluent from the Churchill Forest Products mill. The government of Manitoba knows what plant is required in order to make this clean-up possible. It is an expensive plant. It will take a while for them to finance its installation.

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FISHERIES

SWORDFISH—NEGOTIATIONS WITH WASHINGTON RESPECTING RESTORATION OF MARKET

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question is directed to the Minister of the Environment and Fisheries. It is the same as one taken under consideration by the Secretary of State for External Affairs earlier this week. Are active negotiations under way with the United States government regarding the possible reopening of that country to Canadian catches of swordfish and, if so, is the minister's staff in on these negotiations?

Hon. Jack Davis (Minister of the Environment and Minister of Fisheries): Mr. Speaker, there have been frequent discussions. Our staff has always been involved. However, the United States food and drug administration is still adamant. The standard is one-half part per million of mercury in fish. They are not allowing any shipments into the United States of fish from any country that exceed that level.

Mr. McCleave: I wish to ask one brief supplementary question. Is the minister's department still going to persist in seeking methods of continuing the dialogue on this very important matter?

Mr. Davis: Yes, and I might add that we are still trying to convince health authorities round the world that one-half part per million of mercury in fish is an extremely safe level and could be increased to one part.

GRAIN

SUGGESTED ESTABLISHMENT OF ADDITIONAL TERMINAL ELEVATORS AT PRINCE RUPERT TO RELIEVE PRESSURE ON EXISTING EXPORT FACILITIES

Mr. Frank Howard (Skeena): Mr. Speaker, my question is supplementary to those asked with respect to the movement of grain. In the absence of the minister in charge of the Wheat Board and of the Minister of Finance may I ask the right hon. Prime Minister whether he will raise with those two gentlemen and others in the cabinet the question of providing funds for the establishment of additional terminal elevator facilities at Prince Rupert in order that that port could be used to alleviate the pressure on the export of grain through other ports?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will take notice of the question on behalf of the ministers.

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AIR TRANSPORT

POSITION OF DISCUSSIONS WITH UNITED STATES ON EXTENSION OF BILATERAL AGREEMENTS

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I wish to direct a question to the Minister of Transport. Could the minister give a progress report to the House on the status of the discussions with the United States on the extension of the bilateral air agreements, particularly as they affect western Canada?

Hon. Donald C. Jamieson (Minister of Transport): Briefly, Mr. Speaker, the last round of negotiations took place a few months ago in Washington. It is normal that the next round would occur in Ottawa. We have indicated to the appropriate authorities in the United States that we are prepared to proceed at any time. The decision as to when the talks will continue is entirely one for the United States as of this moment.

Mr. Lambert (Edmonton West): Is there any indication of when that might be?

* * *

• (1150)

POLLUTION

GREAT LAKES—UNITED STATES VETO OF SEWAGE DISPOSAL PROJECTS—EFFECT ON JOINT PROGRAM

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I have a question for the Minister of the Environment. In view of the recent report that the proposed $138 million anti-pollution program for an accelerated clean-up of the Great Lakes has been vetoed by the Nixon administration, I wish to ask the minister what effect this will have on the joint Canada-U.S. program to deal with this problem?

Hon. Jack Davis (Minister of the Environment): My expectation, Mr. Speaker, is that the joint program, which in principle has been agreed upon between Canada and the United States, will be put into effect.

Mr. Harding: Has the minister made any representations protesting the continuing delay, especially by the United States government, in making a meaningful start on this major international pollution problem, and will the target date of 1975 for meeting certain standards have to be revised?

Mr. Davis: I hope not, Mr. Speaker.

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INDUSTRY

DOMINION AVIATION—POSSIBLE REFUSAL OF GRANT FOR DEVELOPMENT OF STOL AIRCRAFT—REQUEST FOR STATEMENT

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, yesterday the hon. member for Peace River asked if a company called Dominion Aviation had requested assistance through certain development funds from my department. The answer is yes. Back in November they asked for support under the general adjustment assistance program. It was found that they were not eligible, not having any manufacturing capacity in Canada. However, as recently as March the company came back to discuss the possibility of assistance under the PAIT program, and this is still being considered now.

Mr. G. W. Baldwin (Peace River): As a supplementary question, Mr. Speaker, in light of the fact that the lion's share of assistance for the aviation industry has been largely granted in central Canada, to Canadair and de Havilland, and as this company might very well lose its identity to an American corporation, will the minister look seriously at the application of this company in order that it may be preserved for Canadian industry?

Mr. Pepin: We always do that, Mr. Speaker.

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TRADE

PENDING ENTRY OF BRITAIN INTO EUROPEAN COMMON MARKET—STEPS TO PROTECT CANADA'S INTERESTS

Mr. Mac T. McCutcheon (Lambton-Kent): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. In view of the fact much opinion in Canada indicates that Canada's trading position will be damaged by Britain's entry into the Common Market, does the government intend, as a matter of self-interest, to encourage the rejection of entry in the proposed referendum announced by President Pompidou and, if so, what steps are currently being taken to protect Canada's interests?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, we have no intention, nor have we got the power, to prevent the enlargement of the European Economic Community. If the hon. member comes to the committee before which my estimates will be present-

ed in a few days time, I will answer questions on what we have done and intend to do.

Mr. Speaker: Order, please. Before calling orders of the day I think the hon. member for Battleford-Kindersley should be recognized.

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ATOMIC ENERGY

ACTION TO PROCURE HEAVY WATER TO AVOID SHUTDOWN OR POSTPONEMENT OF EXPANSION OF POWER PLANTS—POSITION RESPECTING NUCLEAR LIABILITY

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. What action is the government taking to procure heavy water and avoid a shutdown of Douglas Point nuclear power station or postponement of the further expansion of the Pickering atomic energy power plant? I wonder if the minister would also answer my question of the other day regarding nuclear liability?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Yes, Mr. Speaker. The chairman of Atomic Energy of Canada Limited has been seeking to purchase additional quantities of heavy water from foreign sources and has had certain success in this regard. However, the demand for the commodity in Canada at the moment exceeds available supply because of the failure of the Glace Bay plant. Therefore there is a problem. I think I can assure the hon. gentleman that the Pickering program will not be interrupted. That particular system will continue in operation and further successful development.

With regard to the question asked the other day about nuclear liability, at present all nuclear sites in Canada which would be covered by this particular statute are the subject matter of contractual relations between the government of Canada and the individual contractors or provinces in question. The hon. member is quite correct that the Nuclear Liability Act is not in operation, but third party liability is covered by the contracts between the government of Canada and the particular participants.

Mr. Speaker: Orders of the day. Is the hon. member for Windsor-Walkerville rising to seek the floor on a point of order or question of privilege?

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CONSTITUTION OF CANADA

CORRECTION OF ERROR IN FINAL REPORT OF COMMITTEE

Mr. Mark MacGuigan (Windsor-Walkerville): Mr. Speaker, I rise on a question of privilege with respect to correcting the record. There was a small but significant omission in the report presented yesterday by the Special Joint Committee on the Constitution. I merely ask to have the report corrected.

[Mr. Pepin.]

Mr. Forrestall: Is the hon. member referring to a minority report?

Mr. MacGuigan: No. I thank the hon. member for Selkirk (Mr. Rowland) for drawing this matter to my attention this morning. I am referring to the chapter on the national capital area. On page 42 of the report, or page 109 of *Votes and Proceedings,* the first sentence reads:

Hence, we recommend the eventual establishment of a tripartite board appointed jointly by the Ontario, Quebec, and Federal governments.

The sentence should read:

Hence, to determine the nature of this structure, we recommend the eventual establishment of a tripartite board appointed jointly by the Ontario, Quebec, and Federal governments.

The words to be added are, "to determine the nature of this structure".

• (1200)

[*Translation*]

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

ALLEGED FAILURE OF GOVERNMENT TO CONSULT PROVINCES AND MUNICIPALITIES ON DECENTRALIZATION OF MONETARY AND FISCAL POLICIES

Mr. René Matte (Champlain) moved:

That this House regrets that the government has not established consultative bodies with the provinces and municipalities, with a view to decentralizing monetary and fiscal policies in such a way as to permit each level of government to assume its own responsibilities in a manner less burdensome to the taxpayer.

Mr. Speaker, I am pleased to move the motion you have just read, the purpose of which is to set up mechanisms for the decentralization of decision making with regard to monetary and fiscal policies, and for giving co-ordinated access to the provinces, and through them to the municipalities, to the source of national credit to finance public capital.

We are not dealing here with specifically Créditiste proposals but rather with means capable of meeting the wishes, the requests of provincial as well as municipal authorities.

The Quebec Minister of Finance, Mr. Raymond Garneau, belled the cat during a working session held at Sainte-Agathe-des-Monts, in November 1971, and convened by the Canadian Institute of Public Affairs.

This is how this statement is reported in the newspaper *Le Devoir* on November 8, 1971:

While taking part in the study sessions of the Canadian Institute of Public Affairs, Mr. Garneau stated explicitly that the control measures taken by the federal government are such that considerable time elapses before the Quebec government can implement Ottawa's comprehensive policies.

Mr. Garneau puts all the blame for this procedure and the long delays it entails on the federal officials from whom, he said, the provincial government meets with great resistance. "There is

sometimes a time lag of six months. This is much too long. We are always caught in the maze of the federal administration."

That is what the Quebec Minister of Finance said, Mr. Speaker.

I continue the quotation:

It was while replying to the audience's question in the presence of federal Industry, Trade and Commerce minister Jean-Luc Pepin that the Quebec minister made this charge against Ottawa.

Cornered from every quarter, the minister had just admitted that his government had proven its inability to work out a practical industrial policy for Quebec or even for the whole of Canada.

In replying, Mr. Garneau pointed out that Quebec was not alone in airing its grievances but that such a feeling was increasingly shared by all provinces which are putting a mounting pressure for the elimination of the unbalance which "the population refuses to accept any longer."

But federal minister Pepin was not through with his troubles. Following the intervention of the Quebec Finance Minister, former federal government minister Maurice Sauvé launched another attack.

"The big mistake is that the federal government never did accept that Canada is not a unitary country, but a country with five different regions", he said.

"That is a fundamental problem which has never been solved and as long as they will not adopt selective policies, there will be tensions and contradictions. I submitted those problems to the government, but they never were prepared to admit it", Mr. Sauvé added.

Finally, Mr. Garneau indicated that his government was advocating a revision of the means of stabilization at both the level of federal government expenditures and the level of such institutions and organizations as the Industrial Development Bank and the Central Mortgage and Housing Corporation. The government, he said, is considering the introduction in the next tax agreements of a new automatic stabilizer which is the cyclical stabilization fund. That stabilization would enable the Quebec government to have sufficient resources available to undertake investment programs which would have priority and would also be located in some regions.

However, if the provinces are not satisfied with the federal government, the municipalities are not happy either about the treatment they are getting from the provinces. Evidence of this is the criticism addressed by the Quebec Union of Municipalities to that provincial government in May 1968. This is what the reporter Claude Masson stated in *La Presse* on May 27, 1969:

The municipalities no longer want to be spoon-fed like babies by the Quebec government. On the contrary, they want to be considered like adults and given a reasonable share, a bigger share.

Thus, the Union of municipalities has just made a formal application to Quebec to set aside the "sop" allocated to municipalities in the last provincial budget in favour of permanent provisions to improve the financial situation of urban centres and rural municipalities throughout "la belle province".

The Union of municipalities, whose reaction is supported by a brief submitted to the government a few days ago, on the subject of municipal taxes concerning municipal-provincial relations, not only calls for permanent provisions, but suggests what these could be.

The Quebec Union of municipalities reiterates its key suggestion, creation of a standing provincial-municipal fiscal committee, which the organization believes is the essential instrument of a structure to ensure an equitable distribution of sources of income, and responsibilities between the two levels of government.

The municipal organization headed by the mayor of Montreal North, Mr. Yves Ryan, also claims that "the only remedy for the situation is to accede to our long-standing request for phasing out school boards from the property tax field, which should be left to municipalities." In return, the Union of Quebec Municipalities recalls that it has already offered to preserve for the government the revenue from the sales tax which it could use in its tax and budget reforms. Most if not all the sales tax yield could be used to finance education.

But the municipalities want to go further still and at its convention in Saskatoon in June of last year the Canadian Federation of Mayors and Municipalities requested the right to participate in constitutional conferences and put forward rather convincing arguments.

Federation president Allan O'Brien stated on that occasion, having accepted this office:

In my opinion, we must first of all have the provinces and the federal government recognize our right to be consulted on all issues concerning the territories under our jurisdiction and also of interest to the federal government. I think we should have this right to consultation recognized before we express too definite demands for changes in the Constitution other than this right to consultation.

In short, the Canadian Federation of Mayors and Municipalities requests the right to participate in every aspect of Canadian life and, particularly, in the drawing up of a new Canadian constitution that would take into account the financial and fiscal needs of all levels of government. Here is what the representative of *La Presse* wrote in this connection on June 16th, 1971:

To date, provincial governments have not yet recognized the municipalities as their equals: they still maintain that they are merely their creatures, "their offsprings". Still, there will be a tri-partite conference, on October 16th next apparently at which the three levels of government will be called upon to exchange ideas.

Municipal representatives want to be recognized in a "new Canadian constitution". When the Canadian Federation of Mayors and Municipalities studied the 52 or so resolutions on the order paper of the convention Tuesday morning, the general assembly adopted a resolution asking the government of Canada and the provincial governments to recognize the role of local administrations in the management of public affairs.

The resolution goes even further and asks those same governments to consider the municipalities as their equal partners in the drawing up of a new constitution.

• (1210)

For municipalities, as well as provincial governments and the Federal government are faced with financial problems that become insoluble as long as we cling to present day solutions.

The following is a letter sent to all hon. members by the secretary general of the "Union des conseils de comté" of the province of Quebec, on June 14, 1969:

Dear Sir,

We have sent to all members of the Assemblée nationale an excerpt of our annual brief presented to hon. Jean-Jacques Bertrand on March 26 last, as well as a study prepared by the firm Cliche and Associés Limitée. Copies of these documents are herewith enclosed.

We humbly submit these documents so that you may appreciate the problem created by the sale of bonds by municipal and school corporations.

This problem is national in scope and all provinces are involved. We submit these suggestions to you and we expect your valuable

cooperation in an effort to convince government authorities of the merits of our requests.

An exchange of ideas on the subjet should take place between the central government and the provinces.

Yours truly,

André Nadeau, notary,

Secretary general,

Beaurivage, Lotbinière, Quebec.

What does l'Union des conseils de comté want exactly? The following is a quotation of the annual brief presented by that body to the Premier of Quebec on March 26, 1969:

MUNICIPAL BOND ISSUES

The government of the province of Quebec is asked to pass legislation exempting from tax interest yields on municipal bonds whenever bonds are issued for utilities purposes.

The Quebec government should also undertake without delay negotiations with the government in Ottawa so that the latter may declare free from tax interest yields on municipal loans already declared free from tax by the Quebec government.

The second resolution, that requesting the government to exempt from taxes some kinds of bonds deserves more attention, for the experience made in the United States seems conclusive. As an example, I recall that the last United States government $4 billion issue (April 1969) bore an interest rate of 6.40 per cent. To this must be added discounts and issuing expenses, which means that the actual borrowing cost was roughly 6.60 per cent. This is the highest rate of interest ever paid by the American government over 105 years, that is since the War of Secession.

Now, at that time, for tax-free municipal or school board issues maturing on the same date, the yield was about 5 per cent, the short-term and long-term yields being 4.40 per cent and 5.75 per cent respectively. If such bonds were not tax-free, the municipalities involved would have to float loans yielding at least 1 per cent more than those of the American government. Therefore, one can readily conclude that the American tax system enables municipalities and school boards in the United States to borrow at a cost nearly 50 per cent lower.

If Quebec municipalities, school boards and hospitals could borrow under the tax-free bonds system, their savings would be substantial. In fact, total borrowings by our municipalities range between $125 and $150 million.

The school boards' borrowings represent similar amounts. Since last year, and for many years to come, CEGEPs must borrow from $50 to $100 million a year. Quebec hospitals will have to borrow at least $1 million per annum within a few years from now. The grand total of such loans may therefore reach a level of $450 to $500 million per annum. Therefore, for a single year, a saving of 2 per cent on interest rates would be the equivalent of about $10 million.

On the total of their outstanding loans, these public bodies could save over $100 million in interest each year; of course, these figures are only approximations. It is difficult to obtain the figures showing that aggregate debt of all our public bodies. With a 2 per cent difference in interest rates, $100 million would mean total debts of about $5 billion, and this is a conservative estimate.

One has only to recall that the debt of the city of Montreal amounts to about $680 million and that of the city of Laval is of the order of $140 million. As the debts of the school boards are nearly as high, the debts of those two cities alone amount of $1.5 billion.

If you add to that all the debts of the cities and towns, school boards, CEGEPs, regionals, hospitals and universities, the total debt of all those bodies can be safely estimated at roughly $4 or $5 billion. So, with annual savings in interest of roughly 2 per cent it can be reasonably said that our public bodies would save approximately $100 million per year if the interest on their bonds was tax free. On the other hand, with present market conditions, the saving in interest might even be greater than 2 per cent.

What are we suggesting, Mr. Speaker, since we always want to be constructive and positive?

All those proposals as well as the policy outlined in the motion now before the House, Mr. Speaker, can be found in a resolution carried by our national council in Ottawa in March 1971, and approved at our national convention held in October 1971, in Hull. That is what is contained in our document entitled "Constitutional Positions".

However, the Social Credit party of Canada believes that we must go beyond the present status quo which satisfies no one and empower the provinces to be themselves, to develop and flourish in accordance with their needs and aspirations.

Therefore, the Social Credit party of Canada proposes that a new constitutional framework be considered and implemented, within which the provinces or groups of provinces would participate through their representatives or their governments in the formulation of policies affecting the country as a whole and in the best interest of all Canadians.

The Social Credit party of Canada therefore proposes that a new constitution made in Canada, by Canadians and for Canadians be drawn up in order to do the following things.

First, to revive the spirit of a true confederation in which the components, that is to say the provinces, will recover and assume the powers which belong to them, so as to protect and preserve their identity.

• (1220)

Secondly, to aim at insuring an effective participation of the provinces in monetary, fiscal and commercial decisions in Canada since decisions made at the federal level have serious effects on provincial economies and policies.

Provincial governments should have their say in the development of a monetary policy. The exclusive control of monies and its corollary, the credit facilities granted by the central government, the action of this government in matters pertaining to exchange rate, fluctuations of currency in circulation and prices and inflation, have a direct bearing on provincial finances and on the opportunities for local economic development.

This is why the provinces should participate in the establishment of such a policy. They should be able, in consultation with the central government, to cash in on

their own credit in the same way they are now entitled to borrow on such credit.

Decentralization of the decision-making power in the matter of monetary and fiscal resources, financial decentralization that will allow the various levels of government to finance their needs for public funds according to the wishes of their taxpayers as well as the physical and material possibilities of provinces and municipalities, such is, Mr. Speaker, the policy advocated by the Social Credit Party of Canada, and which, were it followed, would put an end once and for all to this ruinous and gradual running into debt of all governments, and would free a huge amount of capital for financing industry and trade which create employment in Canada.

Mr. Speaker, the present government does not have absolute control over solutions to the problem. We only need to study the failures of the Department of Regional Economic Expansion and the Department of Industry, Trade and Commerce to see that we should implement the policy which we advocate—which is, the joint development of fiscal and monetary programs by the various levels of government.

There is no question, Mr. Speaker, that nobody knows more than the citizens of Quebec City about the problems of the province or of the city of Quebec. Nobody knows more about the problems of Edmonton that the citizens of that city.

This is why the various levels of government should co-operate in order to find adequate answers to the economic problems facing us from day to day.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I have listened with great interest to the comments of the hon. member for Champlain (Mr. Matte) who spoke on behalf of the Social Credit Party and I am really at a loss to know where to begin.

Though I shall not venture a personal opinion on the views expressed by the hon. member, it seems to me they contain a host of inconsistencies and I wonder whether the resolution moved by the Social Credit party to which he referred is actually a separatist manifesto for Canada, not for the secession of one single province, but for the balkanization of the whole country since it is suggested that the regions, the provinces or municipalities should be entitled to make their own claims and develop their own monetary policy, I wonder whether this is in the public interest.

But what is Canada?

An hon. Member: It is not a dictatorship.

Mr. Lambert (Edmonton West): Canada has a population of 22 million people whether they come from Chicoutimi or any other Quebec area, from St. Albert in Alberta, from Newfoundland or Saskatchewan, it does not matter. They are Canadian people who pay into the coffers of the federal, provincial and municipal governments. They are all the same people!

And if you say: We want rights for the municipalities, however these rights will be exercised at the expense of other municipalities, other provincial governments.

Therefore, governments are but instruments of the people. If you insist on rights of some individuals, it will be at the expense of the rights of some other individuals.

The Prime minister of the province of Quebec prided himself recently on the triple victory of the province of Quebec over Ottawa. But a victory against whom? Does it mean that the people from the province of Quebec, as Quebecers, under their provincial government, would act against the interests of other Canadians? They are the same people, and when the hon. member thinks of himself as a Canadian taxpayer, he must consider the total of his contribution to the municipal government—which includes school taxes—the provincial and federal governments. The whole represents his contribution to the administration costs of his country.

There may be differences of opinion as to the share of each sector, but as far as the taxpayer is concerned, is he gaining anything whenever we take from one sector in order to give to another? Would that be more helpful? Perhaps as regards services a new distribution should be made, but when it comes to the contribution by the various levels of government, be it for municipal, provincial or federal programs, whether there is waste or dishonesty at any level, there is no loss for the taxpayer, it seems.

Mr. Speaker, the hon. member refers to the representations by the Union of Municipalities of the province of Quebec. I do not wish to point a finger at or criticize that Union for its views, because we have seen them expressed in several resolutions that were passed by many municipalities throughout the country.

We were told that the interests payable on municipal loans should be exempt from federal income tax, but people seem to forget that there exists in addition a provincial income tax. At the present time, all Canadian provinces have the right to and do levy income tax. But the municipalities claim an exemption because they want to save money!

• (1230)

But from whom do they borrow that money? Mostly from the public market—from Canadians, from *caisses populaires*, from trust companies, in short, from all the people who invest their money in bonds issued by municipalities, school boards, or federal and provincial governments.

Mr. Latulippe: Like big corporations!

Mr. Lambert (Edmonton West): Yes, but I am thinking of the public. Corporations, the Caisses populaires Desjardins, for instance, and insurance companies also invest money. I have no doubt that the hon. member has taken insurance policies on his life and on those of his wife and children. People invest their money in those companies, and they are the ones who—like the hon. member and his family, for instance—indirectly benefit from it.

If we ask that municipalities be exempt from taxation, what will happen to the revenues of provinces and the federal government?

We cannot say that municipalities will not be asking the provinces for so many grants or subsidies, or that the

provinces will not be asking so much from the federal government.

Let us be realistic about it, the "sucking" is not going to lessen. Is public demand for education, health services, hospitals, highways, transportation, expenses, postal services, going to diminish? Not in the slightest!

And yet, we are demanding a reduction of revenues in a certain area because we want to replace them. Such is at present the policy of federal and provincial governments, which indicate today that they need all those revenues.

Mr. Latulippe: It is a debt policy.

Mr. Lambert (Edmonton West): It is not a debt policy, but rather a policy of responding to public demand, which is often overheated by partisan and political claims. This is what happens. We urge people to demand services from their governments without telling them that this is going to cost money, and that the public will have to foot the bill. Every single penny spent by government authorities in Canada comes out of the taxpayer's pocket, in one way or another.

An hon. Member: There is the Bank of Canada!

Mr. Lambert (Edmonton West): There is no magic in that. It is very simple.

An hon. Member: And what about the public in all that?

Mr. Lambert (Edmonton West): We will see whether the hon. member can offer another program to meet the legitimate requests of the Canadian public. The hon. member and his colleagues are always the first to add to that list of requests. Who will bear the cost? That is what is being demanded, and it is very often—

Mr. Prud'homme: The Bank of Canada.

Mr. Latulippe: It is the Bank of Canada.

Mr. Lambert (Edmonton West): I know who will pay for it: it is the Canadian taxpayer, with his efforts, his work, his ingenuity, in other words the whole industry, our economy as a whole. That is the source of income.

Mr. Prud'homme: The Creditists do not know that.

Mr. Latulippe: There is not a single worker who makes money.

Mr. Lambert (Edmonton West): That is the source of income for all government activities. Municipalities—

An hon. Member: There are many of them.

Mr. Lambert (Edmonton West): Yes, there are many of them. As a matter of fact, the mayor of my own city is among the first to ask for more money. Why? With all due deference, that is just like him. A mayor has lots of more important things to do.

The municipalities are spending money. This is good but who foots the bill? Because in the final analysis there is always somebody who pays for it. Whether it is at the municipal, provincial or federal level the taxpayer always ends up paying the shot.

We have now reached a point where if we want participatory democracy we must accept the *status quo* in the field of consultations between the federal government and the provinces although there is much room for improvement.

However, the hon. member will admit that the dialogue between him and his wife or the members of his family is sometimes not quite up to par.

Mr. Prud'homme: Just like within the creditiste party.

Mr. Lambert (Edmonton West): No, no. One should recognize that it is a question of human relations. The people of this country are in constant communication. But let us leave them alone and start looking at what is happening in our own back yard.

I will now limit myself to the political or monetary question. In fact, do we not all agree that in the tax field there is a need for more consultation. This was brought up as recently as yesterday in a federal-provincial issue. I will not finger anyone or lay the blame on anyone in particular because everyone has to assume his share of responsibilities.

However, as far as the monetary system goes every province or area should have the right to make the decisions likely to meet their needs. But here we are going back to the Middle Ages because when is it going to stop? If the province of Alberta, Saskatchewan or New Brunswick wanted to develop a monetary policy with respect to interest rates, currency value, etc., we would be going back to the Middle Ages, to the era of the city-state. We would mint coins and bite in them or cut them to know their value. And this city-state money was worthless—

• (1240)

Mr. Latulippe (Compton): What is it worth today?

Mr. Lambert (Edmonton West): It has a value. Today you can buy a shirt or a pair of trousers with a $5 or $10 bill. You put a price on the goods and the shopkeeper is willing to receive a bill in exchange. He does not accept—

Mr. Latulippe: He pays half of it to the government.

Mr. Lambert (Edmonton West): He pays half of it to the government. He pays 37 per cent to the three levels of government. Today, 37 per cent of the gross national product goes to the state one way or another. If the state is required to spend more, then it will ask for more since, as I said earlier, he has to foot the bill at the end.

Any public service, or pension plan or health insurance scheme has to be paid for, and it is hon. members together with their families, their neighbours and other Canadian citizens who have to meet the whole cost.

But can one imagine the people of Alberta or British Columbia insisting on exercising any rights that would be detrimental to Quebecers? What would entitle them to do so since we are all Canadians irrespective of our province of origin?

Mr. Latulippe: Where do they get their money from?

Mr. Lambert (Edmonton West): The hon. member asks where they get their money from. I am going to tell him, Mr. Speaker. They use their two hands and their brains coupled to the will to work, to succeed and to put their shoulder to the wheel. This is how Canadians succeed.

But we never stop making claims on the government. And I am speaking now as a Progressive Conservative member. I for one have nothing to blame myself for on this point. The development of our economy and the progress of our country depend on our willingness to put our shoulder to the wheel. That is all.

Mr. Latulippe: Money does not come from the wheel.

Mr. Prud'homme: You know nothing.

Mr. Lambert (Edmonton West): Mr. Speaker, I would ask the hon. member to let us speak, after which he can make his speech.

Mr. Speaker, I see my time has expired. I thank you for your indulgence in allowing me to speak a few minutes longer.

[*English*]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker there was silence for half a minute, so that got me to my feet.

Mr. Prud'homme: When you speak we have to do that—a moment of silence before you speak.

Mr. Knowles (Winnipeg North Centre): Actually, Mr. Speaker, a statement of substance will be made by one of my colleagues this afternoon, but since in most cases the House likes to hear from all parties in the first round of debate, I shall take the floor for a few minutes.

• (1240)

In so far as the precise suggestions contained in the motion now before us are concerned, I have to say they seem to us to be ones which would be most difficult to implement. When one starts to talk about decentralizing monetary policy, and when this is mentioned in the context of a motion that refers to three levels of government, federal, provincial and municipal, it is a little difficult to see where it would all lead. Municipal monetary policy does raise some pretty far-reaching questions. However, it is not my purpose to become involved in an argument over these technical details, but rather to say that in so far as our friends of the Social Credit party are asking us today to think about ways to make taxation less burdensome to the people of Canada, then, of course, we feel that is a welcome subject for debate. As will be suggested later on today by one of my colleagues, we think there are definite ways in which taxation can be made less burdensome. Those ways, of course, involve the revision of our tax structure and placing it really on the basis of ability to pay.

When one refers to a revision of our tax structure, that conjures up immediately the picture of what we went through in 1971 or indeed what we went through during a period of several years, the result of which was supposedly a new income tax act. As a matter of fact—and we made this clear during the debate on that bill—there was no real, basic reform in last year's new tax bill, and in this year 1972 the taxpayers are discovering that the new heaven and the new earth that was supposed to result from that bill have not yet materialized. Therefore, we say the answer to the problem of making taxation less burdensome is to attack the whole question of our tax structure and to place taxation on the basis of ability to pay. We have not yet done this—particularly at the federal level, which is our major responsibility. In so far as this motion today is asking the House to think in terms of changes which should be made in our tax structure, we welcome the debate this motion produces.

The other way in which to make the payment of taxes less burdensome, to use the words of the motion, is of course to raise the economic standards of the people of this country. This raises the whole question of what we should do about wage levels, both minimum wages and fair wages, and what we should do about things like old age pensions, family allowances, disability pensions, veterans pensions, industrial pensions and so on. I, therefore, take this minute or two to repeat a theme this House hears from this corner of the House time and time again. The society we have at the present time certainly is not the just society we have heard about, nor is it the final word in the area of economic affairs of a nation like ours.

I feel very strongly that we must move in the direction of guaranteed income levels. When one mentions that, he must make it clear that he does not think in terms of means tests, income tests and that sort of thing but rather of allowances or demogrants and so on, which bring up the income level of our people. To do this sort of thing is costly, but not to do it and to try to continue with a society which is as divided and unequal as ours is much more costly. In a country as advanced as ours, with the capacity we have, I believe we can establish levels of income for workers in city and country alike, and that we can provide allowances, pensions, housing, health care, education, recreation and all these things that will put all of the people at a decent economic level.

Mr. Speaker, that frankly is all I wish to say in this opening round of the debate, namely, that we cannot go along with some of the details in the motion but that we warmly welcome the call for arrangements to make things less burdensome to the taxpayers of this country. There are two ways to do this. One is to place taxation on a more equitable basis, and the other is to raise the living standards of all our people.

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, in rising to speak to this motion, I am sure that hon. members are aware of the constitutional and jurisdictional problems connected with relations between the federal government and the municipalities. This does not mean that we are oblivious to the problems of the municipalities. We are aware that a city can exceed a province in population and budgetary expenditures. Some of the federal government programs, such as the Local Initiatives Program, are directed specifically at the municipalities. The federal cabinet will meet on Monday, March 27 to receive the annual submission of the Association of Mayors and Municipalities. I do not intend to pursue this particular phase of our concern for and preoccupation with municipalities. As I understand it, another

speaker plans to deal more extensively with this particular topic. I should like rather to concentrate on federal-provincial relations.

No doubt the House is aware that the federal-provincial fiscal arrangements bill which was before the House yesterday was a product of some two years of consultation and meetings of ministers and officials. The Ministers of Finance and Provincial Treasurers held their 12th meeting recently in Jasper. For the last few years it has been a policy for these ministers to meet at least quarterly to discuss matters of mutual interest to both levels of government. I might say that all sections of the draft fiscal arrangements bill were thoroughly discussed at these meetings of federal and provincial ministers and many changes were made in the draft bill as a result of these consultations.

A large part of this bill dealt with equalization, whose purpose is to allow each province to give to its citizens a level of service at least equal to the national average, without having to resort to unduly high levels of taxation. In addition, the federal government will guarantee that provincial revenues will not be less than their revenues of the previous year. This 100 per cent revenue guarantee is another example of a federal contribution to provincial fiscal stability. This is the very essence of the bill, and that is why I am somewhat surprised that the motion does not acknowledge the extent to which the federal government has recognized the growing needs of the other levels of government.

• (1250)

For example, in 1960, before transfers, the federal government share of total government expenditures was 61 per cent compared to a provincial-municipal share of 39 per cent. In 1970, the federal share had decreased to 52 per cent, while the provincial-municipal share had increased to 48 per cent. In 1970, after transfers, provincial and municipal governments accounted for 60 per cent of total government expenditures. The trend to decentralization is clearly shown in these figures, I suggest.

On the matter of decentralization, I should like to draw to your attention another example of the federal effort to recognize the different levels of economic activity existing in the country. For instance, the Special Development Loans Program of 1970, and this year's Federal-Provincial Employment Loans Program, allocated funds for provincial and municipal projects on the basis of the level of unemployment existing in each province. The first program, for instance, recognized the high level of unemployment which existed in British Columbia in the winter of 1970-71 and allocated some $37 million under this program to the province. This represented 23.1 per cent of the total $160 million in the program. Under this winter's program, because the unemployment had dropped considerably in British Columbia, its allocation was less. Ontario, on the other hand, which was allocated just over 10 per cent of the funds in the first program, saw its allocation rise to 16.5 per cent under this winter's program.

At the finance ministers conferences the economic and fiscal situation and outlook is always the first item on the agenda. This is especially important for the January meeting each year because it provides the most current information on the economy to enable the governments to plan their budgetary strategy for the period ahead. There is a very frank interchange of information on a confidential basis at these meetings.

There is also a Federal-Provincial Continuing Committee on fiscal and economic matters which is composed of senior financial officials from both the federal and provincial governments, and which services the ministers. As well as engaging in joint fiscal and economic studies as directed by the ministers, this committee does the preparatory work for the ministerial conferences. It held its fiftieth meeting just prior to the Jasper meeting of ministers. An example of the type of work in which the committee is presently involved is an analysis of the employment program at not only the federal level but also at the federal-provincial, federal-municipal and provincial-municipal level. This mandate for the evaluation was given to the ministers of finance and provincial treasurers last fall by the first ministers. The Continuing Committee is now conducting this evaluation with a view to reporting to the next federal-provincial conference of their ministers.

The terms of reference given to the committee were essentially those which were contained in the communiqué from the federal-provincial conference last November. These terms of reference proposed a joint examination of the relevant programs to evaluate their effectiveness, assess any problems which had been encountered, and propose criteria and guidelines that might be applied in the design of contingency plans of a similar nature. The ministers also expressed the hope that this committee might be able to submit at least a preliminary report in May, having in mind the relevance of such an evaluation to proposed contingency planning for similar programs in the future.

In addition, I would like to emphasize that since the present government has taken office, not a year has passed without there being a discussion at the summit level of the fiscal and economic situation. Before concluding, I should like to turn briefly to the monetary policy. The Fathers of Confederation in their wisdom clearly gave the responsibility for the management of money in the Canadian economy to the federal government.

Canada's widespread branch banking network, which is part of a well developed capital market, enables funds to move freely throughout the country. In a country with one currency and a single capital market, you simply cannot have a basic monetary policy for one part of the country which is different from the policy applied in other parts. Even if one could somehow contrive to make credit in general cheaper in one part of the country than another, capital would inevitably flow to the places where it could get the highest return; nothing of value would be accomplished for the less prosperous regions which would find it even more difficult to raise their capital requirements. This does not mean that the monetary policy is insensitive to regional conditions. In formulating national policies, the government and the Bank of Canada do take into account the circumstances in all parts of the country. As well, the Minister of Finance (Mr. Turner) and the Governor of the Bank of Canada have, from time to time, asked

the banks to be especially sympathetic to applications for credit from parts of the country whose economic position is particularly unsatisfactory.

The government of Canada also takes into account in the formulation of its debt management policy the borrowing requirements of the provinces and the impact of all governmental borrowing requirements on the Canadian economy. Again, there are regular discussions of these matters with the provinces. For example, at a federal-provincial meeting in Winnipeg in the spring of 1970, as a result of concern about the effect of a very strong Canadian dollar on our economic growth and the level of employment, the Minister of Finance asked the provinces to consider very carefully whether they had explored fully the availability of funds in the Canadian capital market before floating issues outside Canada. This request was then extended to all Canadian borrowers. We have received a notable degree of co-operation in this regard, and the use of foreign capital markets by Canadians has declined significantly. To help enable other levels of government to find their funds in Canada, the federal government has kept its public borrowings to the short and medium term markets, leaving the long end to other governments and private sector borrowers.

I think that within the limits imposed by the constitution, and by its responsibility for the economic health of the whole of Canada, this government has demonstrated its willingness to do the very things that are regretted in the motion now before the House.

[*Translation*]

Mr. Romuald Rodrigue (Beauce): May I call it one o'clock Mr. Speaker?

[*English*]

The Acting Speaker (Mr. Laniel): It being one o'clock, I do now leave the Chair until 2 p.m. this afternoon.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

[*Translation*]

Mr. Rodrigue: Mr. Speaker, I would like to use the few moments at my disposal to discuss the way the Minister of Finance prepares his budget year after year. I would like to see included in that famous budget some information which in my opinion is quite important and which would show the real economic conditions existing in the country.

What surprises me in the budget presented each year by the Minister of Finance are the huge amounts appearing under the national debt item as well as the amounts required each year to pay the interest on the national debt.

The Canadian national debt which amounted to $75 million in 1867 at the time of Confederation had quintupled before the First World War to reach some $314 million. After the First World War the debt went up to $1,200 million, representing an increase of 500 per cent in six years.

Alleged Decentralization of Policies

Afterwards we experienced the 1929 depression and the Second World War. The national debt of Canada amounted to over $11 billion in 1945. From 1945 to 1960, we had a new increase, somewhat less pronounced than during the war years, an increase representing another $1 billion and bringing the debt to $12,089,195,000.

From 1960 to 1968, that is over a period of 8 years, the net debt has once again increased to $16 billion, and we can expect that with the budget announced by the former Minister of Finance (Mr. Benson), last October, this debt will increase by another billion before the end of this fiscal year.

Even more striking are the ever-increasing amounts that taxpayers have come to pay each year for the interest of the national debt.

In 1969-70, the actual expenditures incurred to pay the interest on this debt amounted to $1,709,938,172. In 1970-71, according to figures in section 15 of chapter 8 of the estimates, expenditures for public debt amounted to $1,822,843,840. In 1971-72, still according to the same source, the estimates for public debt amount to $1,994,000,000, and will increase to $2,160,385,000 during 1972-73.

• (1410)

Mr. Speaker, the interest that 22 million Canadians will have to pay amounts to approximately $2 billion per year. This represents, for each Canadian, $100 a year.

But, it should be recalled that in 1945, after the second world war, the interest paid on the public debt was $26.42 *per capita*. This increased later on to $42.17 in 1960, and 12 years later, in 1972, each Canadian will have to pay about $100 for the interest on the public debt. I am not referring here to the interest charged to provinces, municipalities, school boards, which amount to close to $3 billion per year now.

Such are the fruits of the financial system of which this government and its predecessors have been and are still the faithful servants.

But there are some, Mr. Speaker, who will say that this is good, such as Mr. Alexander Hamilton, the spokesman for international finance and, above all, the spokesman for the conservative party of federalists in the United States, who stated that a public debt is a national blessing because it offers businessmen and financiers a safe investment.

A Canadian Minister of Finance stated around 1945 that the national debt was the barometer of civilization and, to prove his point, that same Finance Minister stated: Well, the natives in Africa do not have any national debt and they are not civilized.

Others, Mr. Speaker, state repeatedly that a national debt is not harmful for the country because Canadians owe this money to one another and that the money paid to maintain this debt goes from one pocket to another.

It is true for some, Mr. Speaker, but only a very small percentage of average Canadians have invested their savings in the public debt of Canada, the provinces, the municipalities or the school boards. These people should know that those pockets do not ordinarily belong to the same taxpayers.

Alleged Decentralization of Policies

We have already asked the Minister of Finance to tell us about the holders of government bonds, to give us the names and addresses of the State's creditors. The government was either unable to give us the answer or did not want to do so. If it had, we would have found that the people who receive interest payments on the public debt get some $2 billion per year—that Canadians will pay in 1972—and that such people are not in the low-income group.

On the contrary, those who receive such interest payments are in the high-income bracket, and a large part of such interests will merely add to the dividends of financial institutions.

Therefore, we can draw the conclusion that public debts are regressive and vindictive, because they penalize mostly low-income people. About 15 per cent of their taxes are used towards the interest on such debts.

It is therefore time, Mr. Speaker, to come back to sounder financial concepts and to bring in realistic budgets which really reflect the existing financial situation in Canada.

The Minister of Finance has the responsibility to prepare the federal budget. He calculates expenditures to be made and taxes to be levied in order to meet them. If the public seems to be overtaxed, the Minister of Finance starts thinking about ways and means of either cutting expenditures here and there, or floating new loans that will result in more increases of the public debt and more interest to pay each year.

• (1420)

At present, public finances are nothing more than simple bookkeeping with expenses and revenues which end up each year with either a balanced budget or a deficit budget. Thus, as years go by, as I said a while ago, the debt increases continually and in turn increases the interests that the Minister of Finance must collect through taxes.

The present Minister of Finance (Mr. Turner) is behaving exactly like all previous ministers of finance. I would even say that most political parties are not thinking differently and would not do otherwise if they were called to form a government in a month or two.

We, of the Social Credit party, agree on one point. The Minister of Finance must bring in a budget taking into account revenues and expenses for the year. But there is more than a mere alignment of figures. We believe that the Minister of Finance should also show the assets and liabilities of the country. Assets should indicate the enrichment of the country, and liabilities, the depreciation and impoverishment that Canada suffered through immediate consumption or consumption spread out over several years.

For this purpose, a Creditiste government would establish a National Credit Office who would enter in the assets column any increase in the wealth of Canada. For instance, the building of a bridge in Canada is an enrichment that should be taken into account in the assets column. New highways, a seaway, new hospitals or schools all constitute an increase in the assets.

[Mr. Rodrigue.]

At the present time, I challenge the government to indicate where that fits into the estimates that it proposes and to tell where these increases in the assets of Canada are reflected.

On the same general subject, Mr. Speaker, the new plants built in Canada as well as the increase in the Canadian population should be taken into consideration. It is said that human resources are our greatest asset. Where is this written in the books of the government? Where is this indicated in the assets of Canada? Nowhere.

This year, more than 300,000 new graduates will join our work force. This is certainly a gain because these new workers, being better educated than their elders will devote their energies and their knowledge to the aim of producing more and making better products. I suggest that this is an asset for our country.

So, every year the asset should increase, but this does not show in the estimates tabled by the Minister of Finance. For instance, what body sees to it that this increase in real credit is reflected in financial credit? Who provides for an increase in financial credit in view of present circumstances? The increase in financial credit is done haphazardly, according to the whims of the only credit makers in Canada.

If production increases, who sees to it that the purchasing power is also increased? No one.

What governmental body sees to it that more money is put into circulation so that the new production, the production that is possible thanks to new plants, new workers and new brains gets to the consumers. Nobody worries about that.

No government has ever proposed that the assets and the enrichment of Canada be made to work for the Canadian people. All that is left to the discretion of those who are in power. Governments and Finance ministers never worried about regulating the whole volume of money in circulation according to the assets and the liabilities, according to annual enrichment and depreciation. The governments leave it up to the industrialists and to their ministers of Finance to get along with the bankers when they run short of money. Private interests decide about increasing or decreasing the volume of money as far as production is concerned. Those same interests will also decide that all that money must be taken away from consumers or taxpayers through taxes or price increases.

In my opinion, this amounts to slowing down, penalizing and taxing every enrichment. Farmers, industrialists and the government are all subjected to the discretion of private interests and to the conditions they set.

But what would a Social Credit government do? That is what some people will ask. Thanks to the monetary techniques of Social Credit we would, at first, fill that gap by introducing an accounting system that would correspond to reality. If the production capacity increases, it must be reflected in the national credit account, in the assets. In the same way, when there is depreciation, attrition or just a loss or destruction of production, that must be reflected in the liabilities, and the difference between the assets and the liabilities must normally bring about a net enrichment

and that enrichment must be accompanied by an equivalent increase of the money in circulation so that the country may take advantage of that enrichment.

It may not seem much but if in 1929 we had applied such an accounting method to reconcile money supply with the facts, people would not have starved when there were masses of products and when unemployed wanted nothing more than to work at making products and services available to their families and their fellow citizens.

If in 1971 we had had the same accounting method, there would not now be 700,000 unemployed, a fact that reveals production paralysis because there is no money but an abundance of products.

What does the Minister of Finance ask himself when preparing his budget? The following questions: What does the country want? What is it able to pay? More often than not, he first asks himself the second question if he wants a balanced budget.

Under a Créditiste government, the Minister of Finance would try to answer the two following questions: First, what does the country want? Second, what can it produce? Not in money or taxes, but in available manpower, in unused resources, in technology?

What labour and equipment can the country do without, for instance, in the production of food, clothing, housing, highways? We can ask what choice can be made, if we can choose one or the other or both. If the government decides to build the Mackenzie pipeline, surely the workers and businesses engaged in that undertaking will not produce food or clothing. It will be up to other workers to produce these foodstuffs in their place, both for themselves and for those engaged in building the pipe line.

The problem is therefore whether the country is physically able to build the pipe line without hindering the production of other consumer goods. I don't see that money would have anything to do with it if the Minister of Finance (Mr. Turner) were really against all that.

Under a Social Credit government, there would still be problems of physical possibilities, but no financial problems, since money must necessarily reflect reality and come with it.

The Social Credit budget would be based on the hierarchy of public services called for and achievable. The underlying concept of that budget, Mr. Speaker, would be that of whatever public and private goods the country can produce, i.e. consumer goods, without considering financing problems, since the funds should be produced automatically as and when required, and according to the physical possibilities of implementation.

• (1430)

[*English*]

Mr. David Weatherhead (Parliamentary Secretary to the Minister of State for Urban Affairs): Mr. Speaker, I am pleased to take part in the debate this afternoon. I have to say I am in favour of keeping control of monetary and fiscal policies essentially in the hands of the federal government in Ottawa so that they can be used to influence the economy as a whole and place from time to time different emphasis on different regions in the country depending on economic conditions in each region.

Alleged Decentralization of Policies

I agree with the comments made by the President of the Treasury Board (Mr. Drury) just before lunchtime with respect to the increased emphasis the federal government has placed upon the equalization payments program. This subject has been debated in the House in recent days. There is no question that these payments, which are made in varying degrees to the less advantaged provinces, have been very beneficial to those areas and it is for this reason also I think it is necessary to keep control of monetary and fiscal policies in Ottawa.

The President of the Treasury Board also referred to the great success the Local Initiative Program has enjoyed in the last few months, particularly with respect to programs initiated by the municipalities. I know that in my own area, the borough of Scarborough has obtained a great many grants to aid local projects under this program. I am sure this is the case throughout the country. Preference is given to places where unemployment rates are higher.

I think there is no question that collection of income tax by the federal government rather than by individual provinces leads to great savings to taxpayers as a whole. To reverse this process would not, I feel, result in a less onerous burden for taxpayers as the motion suggests. In my opinion, it would be the other way around.

This afternoon I should like to comment on a slightly different aspect of the motion, the need for consultative mechanism between the provinces and the municipalities. My own minister, who is in charge of urban affairs, has been in favour of developing a consultative mechanism with the provinces and the municipalities on matters which are of extreme importance to most of the people in this nation. As you know, Mr. Speaker, and as was pointed out in the debate in this chamber on Monday, about 70 per cent of the people in our provinces at the present time live in urban areas. This proportion will increase to about 80 per cent in 1980. Therefore, the problems of the municipalities are to a large extent the problems of our growing urban areas—transportation, welfare, the environment, housing and so on. All these are essentially urban problems, integrated one with another. This gives rise to a need for improved methods of consultation between the federal government, the provinces and the municipalities which, by and large, face the consequences of the population increase.

There needs to be better co-ordination between the 112 federal programs which affect urban Canada, and this led to the creation of the Minister of Urban Affairs last July. As the Minister of State for Urban Affairs (Mr. Basford) said in this House last Monday:

> Our mandate is to co-ordinate the activities of the government of Canada in establishing co-operative relationships with the provinces and their municipalities for the enhancement of the human environment. Co-operation and coordination between the provinces and municipalities is precisely the purpose and the mandate of this ministry.

The present Minister of Consumer and Corporate Affairs (Mr. Andras), when he was minister responsible for housing, in a speech before the Canadian Federation of Mayors and Municipalities in Halifax on June 10, 1970 called initially for federal, provincial and municipal consultation on urban matters—some structure, perhaps an urban council, within which political representatives sup-

ported by officials of all levels of government would meet to discuss urban policies regularly. Since that time there have been meetings in Winnipeg, in April, 1971, and in Victoria, in August, 1971, between the Minister of State for Urban Affairs, the provincial ministers of municipal affairs and representatives of Canadian municipalities to explore means by which tri-level consultation can be launched.

At the Victoria meeting, a tri-level interim planning committee was formed consisting of the then minister of state for urban affairs, Mr. Dalton Bales, the then minister of municipal affairs for Ontario and Mayor D'Amour of Hull, representing the Canadian Federation of Mayors and Municipalities. At the first ministers conference in November, 1971, the first ministers consisting of the Prime Minister (Mr. Trudeau) and the premiers or prime ministers of all the provinces, agreed that on-going discussions to finalize the exact elements of the consultative mechanism should go forward with expedition. A meeting of this interim committee to pursue this matter was scheduled for late January, 1972 but had to be postponed at the last minute when changes were made in both in the federal and the Ontario cabinets, resulting in a new Minister of State for Urban Affairs (Mr. Basford) and a new provincial minister responsible for municipal affairs. However, as the Minister of State for Urban Affairs announced last Monday, a meeting of this interim committee is now scheduled for April 10, 1972 at Mayor D'Amour's chambers in Hull. It will be chaired by Hon. D'Arcy McKeogh, Ontario minister for municipal affairs, and will comprise himself, our minister for urban affairs and Mayor D'Amour. They and their officials will be discussing the process of tri-level consultation—how to do it, when to do it, who should be included in it, and so on.

• (1440)

It is not envisaged that matters respecting possible fiscal transfers between the federal and provincial governments will be discussed by this interim planning committee, nor in the ensuing urban council of whatever type is recommended. Any debate regarding fiscal transfers per se will continue to be carried on essentially by the Minister of Finance (Mr. Turner) and by the provincial treasurer of each province. This morning the President of the Treasury Board dealt with the matter in further detail and also commented, I understand, on how closely the provincial and federal financial officials keep in touch with each other on this very important matter.

However, hopefully such an urban council would allow representatives from all levels of government, including the municipalities, to move effectively and with greater continuity in co-ordinating and focusing upon urban issues. These issues, I repeat, are largely issues faced by the provinces and municipalities, but also confront the country as a whole. The issues of housing, transportation, pollution, social services, etc. are all included under the heading of urban issues and, it is hoped, will be focused upon by the meeting in Hull on April 10. This consultation with the provinces, and through them with their municipalities, will enable a concerted drive to be made to alleviate the worst of these problems and I think will be of considerable benefit to all Canadians.

[Mr. Weatherhead.]

May I say I appreciate the opportunity of speaking on the motion moved today by the representative of the Social Credit party. The question of consultation among the three levels of government is a very important one. While I do not agree with the suggested form of consultation with regard to monetary and fiscal policies, I hope I have pointed out that other forms of consultation regarding the broad national and urban issues are proceeding very satisfactorily, and I believe will be a great success.

[*Translation*]

Hon. Théogène Ricard (Saint-Hyacinthe): Mr. Speaker, I should like to make a few remarks on the motion introduced by the hon. member for Champlain (Mr. Matte).

I find it somewhat difficult to accept unreservedly the motion introduced by my friend and it will be impossible for me to support it as moved.

However Mr. Speaker, some parts of this motion give me the opportunity of making a few remarks, and I will try to make them as obectively as possible.

But first, I should like to go back to what happened through the years since 1949, for instance, which were fraught with far-reaching consequences.

Mr. Speaker, it will be recalled that federal-provincial relations and the sharing of the tax basis have always given rise to great difficulties and constant wrangles, at least between the provincial and federal governments.

• (1450)

Mr. Speaker, hon. members will recall that it was under the guise of national emergency that the first incursions into the provincial field were made in 1939 by the centralist government of the time, a liberal government.

They will also recall that the then premier of the province of Quebec was sharply criticized—and he still is, as a matter of fact—for opposing the centralist views of the government in office. And in so doing, Mr. Speaker, he was only following the example set by his predecessor the Hon. Alexandre Taschereau.

Also, from 1939 to 1945, the central government found its way into the manpower field, especially into unemployment insurance. Premier Duplessis said at the time that the field of activity was definitely the responsibility of the provinces. However, anxious not to interfere with the war effort that this country was making toward a victory in the conflict that opposed us to Germany, the Quebec Premier simply gave up objecting.

They will also recall the letter that was written by another former premier of the province of Quebec, Mr. Godbout, relinquishing to the central government a large share of the powers which, according to the constitution, belonged to the provinces. Here again, this was done as a contribution to the national effort to ensure victory.

Mr. Speaker, I am mentioning those historic events simply to show that the Liberal party has always produced centralist governments, which ignored needs and aspirations not only in the province of Quebec, but also in all the other Canadian provinces, in order to preside over the fortunes of the country, in their own way. The Liberal party has always considered itself called upon by divine

right to govern the country and it has always discharged its functions in that spirit.

Mr. Béchard: What are you driving at?

Mr. Ricard: If I may, Mr. Speaker, I would like to tell the hon. member for Bonaventure-Îles de la Madeleine (Mr. Béchard) that if he has any remarks to make he can make them after I am finished. However, if he does not want to be polite enough to listen to me he could at least in all due respect for this House listen to what is being said. I am certain he will learn a great deal not only from the one who has the floor at this time but also from those who will follow me.

One vital condition to the progress of the business of this House is to know how to listen and learn when the opportunity arises. So, I suggest strongly to my hon. friend the parliamentary secretary to the Minister of Justice to keep his ears wide open. It would be to his advantage and also to that of the House which could benefit from the same courtesy I have shown for those who have spoken before me.

Mr. Béchard: I hesitate to listen to the hon. member.

Mr. Ricard: You see, Mr. Speaker, he will never understand. If you wish to call him to order, you are welcome, Mr. Speaker.

The Acting Speaker (Mr. Boulanger): Order. In keeping with the usual practice, whenever a member has been recognized, other members should let him exercise his right to speak and listen to him with as much attention as possible and without interrupting him.

Mr. Béchard: Mr. Speaker, I do not wish to interrupt the hon. member. I will simply make some comments after his speech, which is more or less excellent.

Mr. Ricard: Mr. Speaker, I notice the hon. member said "more or less excellent". He is probably short of vocabulary.

Mr. Speaker, in his motion the hon. member for Champlain deplores the lack of communication between provinces and the central government and the fact that it has been worsening during the last four years. I will quote from a few newspaper clippings to prove what I am saying, and I shall not rely only on evidence from opponents of the present government. Mr. Speaker, I have here a clipping from the March 5, 1968, issue of *Le Devoir*, bearing the headline "Provinces unanimously denounce central government fiscal policy" and where one can read:

> All of them denounce what they consider as the law of the fiscal jungle which was proposed to them by the federal government in 1966.
>
> All of them denounce the inflexibility introduced in fiscal relations as an aftermath of the federal government's determination to impose joint programs and its firm intention of withdrawing from them now.

I will also quote the words of former Quebec Prime Minister Jean-Jacques Bertrand, as reproduced in the November 5, 1968 edition of *Le Devoir*:

> What strange thing are we witnessing at the present time, more particularly since the last four months? We are witnessing—and I regret to have to deplore it—an arrogant and imperialist attitude on the part of the federal government.

Now let us read what the Ontario Minister of Finance, Mr. Charles MacNaughton, had to say as reported in *Le Devoir* of November 14, 1968:

> Last week, those taking part in the federal-provincial conference have been assured that the federal government would reconsider the question of tax sharing. But since then, we heard the central government make another statement to the effect that the provinces must collect themselves their additional taxes if they need supplementary revenues.

This is certainly evidence of a lack of communication, a lack of exchange of views between the central government and the provincial governments.

What does the present premier of Quebec, Mr. Robert Bourassa, now say? In *Le Devoir* of November 16, 1971, one can read this:

> Quebec premier, Mr. Robert Bourassa, blamed yesterday the federal government for failing to consult the provinces when formulating its policy against unemployment, and he called the conference of the premiers of the country, which he attends until tomorrow, an *a posteriori* consultation.

• (1500)

The Minister of Regional Economic Expansion (Mr. Marchand) would surely be offended, and he would probably accuse the Quebec premier of racism, if he heard the words the premier is reported to have said. I quote:

> In fact, the premier stated that the activity of the Department of Regional Economic Expansion, headed by Mr. Jean Marchand, had not changed things very much. More specifically, Mr. Bourassa said, the report had not affected the overall situation in Quebec and on the whole, the results were not very satisfactory.

Mr. Speaker, were the Minister to hear this, there would be no end to his laments, to the effect that we merely want to destroy him. We have no intention of destroying anyone, but as members of the official opposition, it is our duty to ensure that the government produces the best possible administration for the Canadian people.

The quotation goes on:

> Basically, the premier wants the federal government to adopt more selective economic remedial measures.

That is what we have been asking the present government all along.

As I said at the beginning this government interfered in fields of exclusively provincial jurisdiction, and later on warned the most interested parties, that is the provinces.

For instance, the federal government meddled in health insurance. Originally, the legislation was to have come into force on July 1st, 1967, but because of the objections of several provinces, its application throughout Canada was delayed by at least one year. We know that the Quebec government, through its premier, the hon. Daniel Johnson, had opposed the measure. He wanted Quebec to receive the tax levied in his province, the so-called social improvement tax. Not only was he the only one to demand that those payments be remitted to the province of Quebec, but after him, the provincial Liberal government has always done likewise while the federal and centralizing Liberal government has refused to accede to the

demands of the Quebec government whose duty it was to look after the best interests of that province.

We know what was the comment of the Prime Minister (Mr. Trudeau) about the recommendations made by the then provincial secretary Mr. Mario Beaulieu. I will not repeat his first comment: it was the second time that he was using the term, but I will say however that he dismissed as stupid the claim of the Quebec provincial secretary.

Such refusals and arrogant attitudes give rise in Quebec to an antifederal feeling which is used as a springboard by those who wish to create dissension and promote separatism in Quebec. It is high time, Mr. Speaker, for the members opposite to throw off their own arrogance, to accept finally to hear the province of Quebec through its elected representatives, and to accede to their claims not only for its good, but also for the sake of good understanding and national unity.

Until our current leaders carry out that policy, Mr. Speaker, we will go from bad to worse and have one trouble after another.

The sooner this government becomes more flexible, the sooner it listens to reason, the better it will be for everyone.

And I hope, Mr. Speaker, that those who are from the province of Quebec, the friends of the Liberal party, will convince of that those who hold the reins of power, those who occupy the government benches.

Mr. Ouellet: You have forgotten to talk about family allowances.

Mr. Albert Béchard (Parliamentary Secretary to Minister of Justice): Mr. Speaker, first of all, I must tell my colleague the hon. member for Saint-Hyacinthe (Mr. Ricard) that, although I listened with both ears, I did not learn anything new from his diatribe this afternoon, except—

Hon. Théogène Ricard (Saint-Hyacinthe): Mr. Speaker, there are some who never understand anything.

Mr. Béchard: I would ask the hon. member to please listen.

Mr. Ricard: Some never understand anything, and you are one of them.

The Acting Speaker (Mr. Boulanger): Order, please. I believe that it is now the turn of the hon. member for Bonaventure-Îles-de-la-Madeleine to have the floor, and I would ask hon. members to show him some courtesy.

Mr. Ricard: That is exactly what I am doing, Mr. Speaker.

Mr. Béchard: Mr. Speaker, I have not deemed it advisable to ask you to call to order the hon. member for Saint-Hyacinthe, because, as he is very courteous, he would not dare challenge what I have just said.

I was greatly surprised to hear the allegedly accurate remarks of the hon. member for Saint-Hyacinthe. In fact, he stated that the Liberal party is the most centralizing since Confederation, and that the legally and democratically elected government of the province of Quebec had been refused the refund of this famous tax, that is an amount of $200,000. What is right—and I shall say it for the information of the hon. member for Saint-Hyacinthe, who is a former neighbour of the late Daniel Johnson—is that Mr. Johnson himself refused to put into force, in our province, the medicare plan which had been accepted by his predecessor, the hon. Jean Lesage.

Would a truly centralizing government make such proposals as, for instance, that he has just made to the provinces respecting family allowances? Is this a centralizing government?

It shall also completely withdraw, and this is retroactive to January, from the estate tax field. Is this the action of a centralizing government? This government also will negotiate tax agreements such as it is negotiating under Bill C-8, now before this House on third reading. Some will say, as the Progressive Conservatives are always doing, that the Liberal party is the most centralizing party.

Strangely enough, Mr. Speaker, the province of Quebec has always put its trust in the Liberal party, as it will again at the next elections.

Now, Mr. Speaker, I would not like to get into electoral matters, but I want to say that there is no reason to be surprised or overly concerned because of the regret expressed today in the motion brought in by the Ralliement, sorry, the Social Credit party—it is always changing its name—and which reads as follows:

> That this House regrets that the government has not established consultative bodies with the provinces and municipalities, with a view to decentralizing monetary and fiscal policies in such a way as to permit each level of government to assume its own responsibilities in a manner less burdensome to the taxpayer.

• (1510)

No need to be surprised, Mr. Speaker, at the regret expressed in the motion of the Social Credit Party of Canada if we recall the events since Canada was introduced to the policy of Major Douglas—that was his name, I think. Then there were the John Blackmores, the Solon Lowes—deliberately forgetting of course the Mannings and the Bennetts who are simply Conservatives in disguise, not even Progressive Conservatives, the Thompsons, another one who became a Conservative—he was one and he stayed one—the Caouettes, the Samsons and the Bois who don't even know whether they should cheer for Créditistes, Péquistes, Independantistes or the Ralliement national (nobody knows any more), they morbidly took it upon themselves to settle all economic problems through the Bank of Canada.

You will agree, Mr. Speaker, that it does not take a great deal of imagination to propose such a childish and, on the surface, such an easy solution to settle the economic problems of a country.

Strangely enough, however, until now, no other country faced with economic, monetary or other difficulties has ever thought to use the cure-all advocated by the Social Credit.

You will not learn anything from me, Mr. Speaker, since you are quite familiar with this Social Credit theory, if I

say that there has not been a single debate in this House, since at least 1962, on such varied subjects as grain sales, bilinguism, the movement of feed grain in the East, the national capital, abortion, wiretapping, in which the Social Credit members have taken part, that did not end with their suggestion to use the magic method available to the government, namely the Bank of Canada, to settle all problems.

The absurdity of such a policy was once well described to the Canadian people, and especially to the Quebec people, by a former member of this House, a bitter opponent of Social Credit and, mainly, of this frivolous doctrine,—a serious and most effective opponent,—the former member for Saint-Jean-Iberville, Mr. Yvon Dupuis.

I sincerely urge Social Credit members to look through the Official Report of Debates of the House of Commons as well as the daily newspapers of that period, from 1961, 1962, 1963 onwards. They will find those speeches and I invite them to meditate on them for their own edification, because they were tremendous, they were not only a verbal but also a concrete condemnation of loony Social Credit theories.

Moreover, Mr. Speaker—

Mr. Gauthier: Wait a while!

Mr. Béchard: Mr. Speaker, I hear some Social Credit members laughing. They should not laugh, they should be weeping because of the lies they have been bandying right and left for so many years and which they unfortunately succeeded in having too many of our people swallow. They know full well that they are unable to solve any problem from the corner where they sit, since they will never—and fortunately so—be in charge of the country's fortunes.

Mr. Gauthier: Wait a while.

Mr. Béchard: I hear the hon. member for Roberval saying: "Wait a while, wait a while" We have been waiting a long while, and there will, I hope, be a while more to wait so that the people of Canada may not be afflicted with such malaise and misfortune.

Mr. Speaker, even if there is no reason to be surprised by the kind of regrets expressed by the Social Credit, there is still reason to be seriously and deeply concerned with the attitude reflected by this proposition of the Social credit party from the constitutional viewpoint.

In fact all members of the House—at least those of the majority party, those of the official opposition and, I hope, those of the New Democratic Party—know that municipalities are brought into being by provinces and are therefore under provincial jurisdiction. Social Credit members are perhaps not yet aware of that.

As stated by the mover of the motion, who by the way disappeared this morning, so faint is his interest in this debate—although the municipalities do not want to be treated like little children, but be fed their revenue with the soup-spoon and not with the tea-spoon as was said this morning, and I do gladly agree with that, nevertheless the Canadian Government can in no way, within the present constitution and without incurring blame, extent its authority to the municipal field which is under the exclusive control of the provinces. And we would be criticized legitimately if we interfered with the rights specifically attributed to the provinces by the British North America Act in 1867.

I agree with the mover of this motion to the effect that there should be some co-ordination of the jurisdictions in the vital tax field to prevent our municipal, provincial and other officials engaged in public administration being plagued with headaches.

But to say, however, that the Canadian government, as is suggested by the motion of the hon. member for Champlain (Mr. Matte), and I quote in part:

—the government has not established consultative bodies with the provinces and municipalities—

—this, in my opinion, is bad faith.

When you are a representative of the Canadian people, when you were duly elected to inform and protect the rights of these people, I say that you are dishonest or partisan or else you show complete ignorance of the development of Canadian politics in the field of federal-provincial relations if you make such gratuitous statements.

I shall go one step further, Mr. Speaker, and say that a member who shows such ignorance—I dare not say, "crass ignorance"—is not worthy of the confidence that the people bestowed upon him in 1968 because he shamelessly misleads them by introducing such a motion and elaborating on the remarks that he made this morning during the debate.

Because of such remarks, because of such an attitude, those members have a duty not to ask their constituents again for this confidence which they abused and these people have a duty to show them to whom they should direct their confidence for the management of public affairs.

• (1520)

It is a sad thing to see that when the Social Credit party of Canada deplores the fact that the government has not taken steps to establish a consultation process in order to decentralize monetary and fiscal policies in a way which would allow each level of government to assume its responsibilities with less expense to the taxpayers, it deliberately forgets the positive efforts made by the government in this direction. It forgets one of the main formula for redistribution of taxes levied—the equalization formula, under which the richer provinces contribute to the greater well-being of the less favoured ones.

Incidentally, the share of Quebec—if this is the province to which the hon. member for Champlain and the Social Credit party are alluding in this motion—had been increasing continually since this measure was initiated in the forties. Renewal of those fiscal arrangements between the federal government and the provinces is provided for in Bill C-8 which is now under study, and which we discussed on third reading only yesterday.

Such arrangements were the result of continuous and intensive consultation with the provinces. In the past few years—as was very eloquently pointed out this morning by the President of the Treasury Board (Mr. Drury)—

there have been regular meetings of ministers. The new Minister of Finance (Mr. Turner) participated in the 12th meetings which took place in Jasper in January.

Moreover, fiscal and economic policies are discussed at almost all federal-provincial conferences—and God knows how many of them we have had since 1968, when the present Prime Minister (Mr. Trudeau) came to power.

We have besides a federal-provincial committee of officials, which to this day has held some fifty meetings.

If you do not call that serious consultation, I will not hesitate to say it is as good as what takes place within the Social Credit party.

Regulations have also been made. Nothing is more natural or human than the desire to reduce the tax burden of the people by distributing it on the greatest possible number of taxpayers. This is what this government and all former Liberal governments have been doing all along in Canada.

However, one should be careful, as the hon. member for Edmonton West (Mr. Lambert) so rightly pointed out this afternoon, not to keep on asking the government to do things, without thinking of the cost that will have to be met at one time or another. After all, money does not grow on threes whatever Social Credit members may think to the contrary.

I have mentioned fiscal arrangements and the hon. member for Compton (Mr. Latulippe) knows that money does not grow on trees.

Mr. Latulippe: We have never suggested that.

Mr. Béchard: He is a shrewd businessman and has not picked up his money on trees!

Mr. Latulippe: It was within the present system.

Mr. Béchard: And it is within the present system that he has succeeded in business and I commend him for that.

I referred to fiscal arrangements as being one of the existing formulas that contribute to the funding of provinces to enable them to carry out their commitments towards the taxpayers and consequently, towards the municipalities which they have created.

Have the members of the Social Credit party, and the hon. member for Champlain in particular, forgotten the initiatives taken by this government in favour of young people, groups and municipalities through the Opportunities for Youth program and the more recent Local Initiatives program? Have they forgotten the large amounts made available to the provinces by the federal government—

Mr. Gauthier: You should say made available to Liberal organizations.

The Acting Speaker (Mr. Boulanger): Order, please. I would like to point out that these last few moments, there have been interjections coming from the other side of the House. I would invite hon. members to allow the hon. member who now has the floor to proceed.

[Mr. Béchard.]

Mr. Béchard: Mr. Speaker, I thank you for your call to order, but I must say that those interruptions do not bother me at all.

Mr. Gauthier: You are used to them.

Mr. Béchard: Large amounts have been made available to provinces and municipalities, groups and citizens.

For instance, in 1970-71, $140 million were paid in loans to the provinces; $25 million were spent on the Opportunities for Youth Program; $40 million on other summer programs to help the students earn money for their studies; $150 million on the Local Initiatives Program and, during the same year, $160 million in loans to the municipalities, etc.

That redistribution of public funds, Mr. Speaker, helped considerably, directly or indirectly, to lighten the fiscal burden of the ratepayers for, in several cases, the projects carried out by groups within the Local Initiatives Program enabled those municipalities to get jobs done which they had been unable to tackle before for lack of funds.

That is the role of the Canadian government; it assumes it responsibly when it distributes throughout Canada the money collected from every class of society, from every province, rich or poor alike, and redistributes it amongst the most needy of them, and redistributes it equitably.

Has the Social Credit also forgotten the development programs of the Department of Regional Economic Expansion which are considerably helping not only our industry but also our municipalities to build for example, under the special designated areas program, some aqueduct and sewage systems, bridges, sidewalks, municipal facilities and roads?

Nobody would suggest, for example, in the lower St. Lawrence area and in the Gaspé Peninsula which were in a dire need of roads in the 70's and where the federal contribution was up to 50 per cent under the area development program for the construction of roads alone, that there is no communication between the two governments. There is a communication for the welfare of the people in that area of Quebec.

The Acting Speaker (Mr. Boulanger): Order. I regret to interrupt the hon. member, but his time is expired. I even let him speak one extra minute. Therefore, to allow him to carry on with his remarks, the unanimous consent of the House is required. Does the House agree?

Some hon. Members: Agreed.

Mr. Béchard: Mr. Speaker, I shall be brief. I wish to thank my hon. colleagues for their courtesy. I shall quickly list some of the aspects the Créditistes may have omitted.

I have referred to the programs of the Department of Regional Economic Expansion. There are several of them, but I refer in particular to those that greatly assist our municipalities. Here is the proof: a considerable number of requests for funds are being received by the Department of Regional Economic Expansion and the Quebec Development Board. Why? To help those municipalities without the necessary funds. So, with this co-operation between Ottawa and Quebec, we can benefit, like other

provinces, under similar arrangements. Prince Edward Island, New Brunswick and all provinces benefit from this legislation of the Regional Economic Expansion Department.

But, Mr. Speaker, have the Créditistes forgotten the whole program of social security that was introduced in Canada by the Liberal party, clamorously called a centralizing party by the hon. member for Saint-Hyacinthe (Mr. Ricard) whom we may not have the pleasure of seeing in this House after the next election?

Mr. Ricard: The Liberals have repeated this six times, and I have beaten them each time.

Mr. Béchard: In your riding it was said six times, but in mine it has not yet been said. Some are starting to say it about you.

For instance, are old-age pension plans, unemployment insurance plans, Medicare, hospital insurance, family allowances, Veterans allowances etc. not meaningful? If Canadians did not have these programs now, where would they get money from? They would have to get it from other sources.

Those are therefore measures that ease the burden of the Canadian taxpayer.

And Mr. Speaker, I have no compunction, as a representative from the province of Quebec, in Ottawa, in asserting that the party to which I have the honour of belonging has made available to all citizens indiscriminately the social security measures which it behooves the government to provide for the people of Canada because wealth should be equitably distributed in order that the less well-to-do, who worked at the building of the country may, upon retirement or at a given time of life, receive a part of what they gave the nation.

• (1530)

Mr. Charles-Eugène Dionne (Kamouraska): Mr. Speaker, I listened very carefully to the remarks of the previous speaker. I especially noticed that, at the beginning, he said that he would not embark on electoral matters. However, I must say that his speech had something of an electoral savour.

I do not usually insist on such things. This afternoon I intend first to try and explain to the House that the Creditistes are not the only ones who realize the defects of the present system. And I am very pleased to support the motion of my colleague, the hon. member for Champlain (Mr. Matte), particularly as far as the federal-provincial relations in tax matters are concerned. I will try to make a suggestion as to how we could put some order in the present system.

Even though some people take pleasure in praising the party in power, we really cannot but notice that we are up to our necks in debts and that there are thousands of unemployed.

Mr. Béchard: Please, no electoral speeches!

Mr. Dionne: There are the results of a regime praised by people who are geared for an election campaign.

Enough about that. I shall now deal with the means to which the government could resort to clean up the present mess.

The way to increase the standard of living of all Canadians, without taking anything from anyone, without paralysing economic activity and without generating either inflation or delfation, would be the financing of public investment by means of interest-free loans granted by the Bank of Canada.

An hon. Member: That was mentioned earlier!

Mr. Dionne: It was mentioned but only to indicate that we always conclude our speeches with references to the Bank of Canada. I mentioned it at the very beginning of my comments and I explained how we could benefit from the services of the Bank.

Such a measure, as can readily be seen, would result in lower taxes levied by the government to pay interests on the public debt—which is unpaid and unpayable under the present system—or lower borrowings from the government and would increase accordingly the money available to the consumer to get goods to meet his needs.

Créditistes are not alone in favouring the creation of new credit on an interest-free basis for the financing of public capital.

In his book *Demain, c'est l'an 2,000*, Mr. Gaston Bardet, professor of applied economics at the University of Brussels, after the publication of a thorough study of the banking system and studies performed in Britain by the MacMillan commission and in Canada in 1939 by the House Committee on Banking, Trade and Commerce, draws the following conclusions:

> Hence, there are two possible approaches to financing which are totally opposed in character: one coming from savings, or surplus money, the other being projected in anticipation. In the first case, he said, as far as private production is concerned, self-regulation should come from the existing supply of capital—incidentally, we disagree with Mr. Bardet in this regard; in the second case, from demand as it concerns the surest primary needs.
>
> Thus bank financing is highly advisable for building up the country's real estate equipment that is beneficial to the country at a whole. Wherever overproduction is not to be feared, demand determines the issuing. Needs in housing, highways, bridges, hospitals, schools then become the regulators of anticipated scrip money.
>
> As those are consumption and not production loans, Mr. Bardet says there cannot be any interest. The country and the community cannot be usurers.

Another economist has taken an interest in this problem of financing government activities, and he came to the same conclusion that the Créditiste party has discovered a long time ago—the financing of public capital by new credit issued without interest.

The statement of this approach is found in Robert Theobald's book entitled "The Challenge of Abundance" which is available at the Library of Parliament.

This is what Mr. Theobald has to say on the subject, and I quote:

> A government can use three different methods to obtain the funds it requires to meet its obligations. First, it can tax its citizens and institutions, thus gaining possession of their money. Second, it can borrow money from people and institutions and pay interest

on the amount it borrows. Third, it can simply create money and use the resulting funds to make its purchases.

The one point on which everybody agreed before 1936, continues Mr. Theobald, was that the government should never simply create funds. The prohibition against creating funds was based on the assumption that the demand for goods would always be equal to supply as long as government did not interfere with the economy. Keynes destroyed the validity of this assumption when he showed that there was no certainty that the demand for goods would always be equal to the available supply in rich countries.

There are other methods, said he, that could be used to close any gap between supply and demand. It would be possible to decrease the level of supply without greatly affecting demand by cutting hours of work and leaving wages unchanged. It would be possible to raise the desire for goods by making people feel that more products were necessary for the good life and a decent standard of living.

The government could simply take up the slack between actual and potential production by building new schools, by demolishing slum housing and building new accommodation, and by controlling pollution. Because there would be unused resources in the economy, the government would not need to raise this money by taxation or by borrowing, the money could simply be created. The additional funds would not cause inflation, for there is—by definition—no shortage of goods.

Mr. Theobald thinks it is possible to democratize money and to use interest-free credits for the country's economic and social development.

I should like to state the opinion of an eminent British engineer, whose ideas create considerable interest in Great Britain.

Volume 183, Part I, no. 5 of the 1968-69 minutes and proceedings of the Great Britain Mechanical Engineers Association contains the full text of the lecture delivered to that Association by Mr. Anthony Vickers, under the following title: *"The Engineer Society"*.

• (1540)

In this study, Mr. Vickers, who was warmly applauded and whose comments were later discussed by members of the Institute, deals first with technological development and the expectations it provides in terms of economic development. Then, in the second part of his report, he dwells on the means of financing social development and concludes by saying, and I quote:

This education requires, first of all, that each and everyone should grasp simple facts as well as the various functions of money whether it be metal, paper or bank credit. This does not entail endless studies of economic and monetary policies. It means that everyone should be able to understand that:

(1) Money is a means of exchange or a method of payment that is intrinsically worthless and costs nothing.

(2) The control and regulation of the amount of money required must be greatly improved to meet the demands of technological development and the changes resulting from a capital intensive economy.

This is not the view of a Créditiste, but, as I said earlier, that of an engineer who knows the problem.

In the last part of his report, the author explains how it would be feasible, within a full employment economy, to provide Great Britain with the social assets presently unavailable due to money and credit scarcity.

According to him, the United Kingdom has been reviewing for a number of years seven dam building projects intended to increase water resources, enlarge the national heritage, improve shipping and harbour facilities and in some cases, enable the construction of electrical facilities and the improvement of the road system.

All these projects would turn out to be important assets for the people besides creating considerable opportunities for employment. Hundreds of millions of pounds would be needed, but the cost of creating the necessary credits would be negligible. Is this not the right opportunity of implementing Keynes' insistent suggestion to the effect that what is physically achievable should be made financially possible?

First, a national investment or finance company should be created. Commissions of all kinds are already in existence: Unemployment Insurance, Workmen's Compensation, and so on; therefore, why not institute a special commission to look after monetary reform? The purpose of this national finance company would be to supply the necessary credits for the creation of assets for the benefit of society. This would mean providing work as long as the resources allowed.

In a free society, in peacetime, overabundant manpower cannot be assigned to alternative jobs; however, through education, rehabilitation, good salaries and decent housing, it can certainly be attracted to other occupations, keeping in mind that the gross national product can be boosted annually by at least 600 million pound sterling.

Never before was our production, transportation or communication capacity altogether as large as today. However, the government invites us to tighten our belts, and this unavoidably causes restrictions being imposed in various ways by producers. Of course, time will tell that taxation was too much costly and complicated, but, even though the purpose of this demonstration is not to discuss taxation problems and basic objectives, it remains, nonetheless, that technological progress requires economic expansion for full employment.

This is why we are suggesting, concerning what we call non-profit capital goods, the institution of a national finance company meeting such needs. Its task would have to be stated clearly in order to avoid conflict with the various financial organizations serving the private sector of the economy, which is based on profit.

This national finance company, which would be one of the most important factors in government policy, would provide a large part of the money or credit now levied through taxation.

In spite of the present high rates the tax system cannot use the inactive resources to build, for example, a modern road system and it also adds a great deal to the costs society pays in the form of interests.

Last Friday, Mr. Speaker, the Minister of Indian Affairs and Northern Development (Mr. Chrétien) stated in this House that he would like to be in a position to finance the building of a Canadian pipeline in the Mackenzie Valley but that he was not a creditiste and did not know how to print money. If the minister does not know how money and credit are born all he has to do is consult his banker who, if he is the least competent and honest—and bankers are generally very intelligent people—will tell him how the banking system creates credit out of nothing and if his banker does not know I will send him a copy of the very informative brochure published by the Royal Bank of

Canada. This way he would learn that all that is physically desirable must be made financially possible and that with a financial system attuned to reality financial problems would no longer exist when there is no production problem.

As Marquis Serra wrote in his book entitled "Le Chaos économique et la Révolution qui vient", and I quote,

> Counting in terms of units called dollars the development of materials, natural resources and technology is an art in infancy. And so it is also when we create purely monetary means—credit, that is—to facilitate the exchange of various services which will carry out the plans.

I think that in this day and age it would be proper for all concerned to seriously look for a way out of this ludicrous social structure which allows a close mixture of poverty and wealth. Money does not grow on trees, as someone said earlier, and the creditistes have known that for a long time. It does not come out of thin air. It is created by man, made scarce by man and, unfortunately, the government which claims sovereignty lets itself be led and controlled by those who manipulate the money and the country and who hold the economic life in their hands to the extent that without their consent no one can breathe.

I think the creditistes are right in offering the solution they advocate and the population who is beginning to understand what is going on is prepared to change this system that breeds too much misery.

Mr. Henry Latulippe (Compton): Mr. Speaker, it is a pleasure for me to comment on the motion proposed by the hon. member for Champlain (Mr. Matte).

There is obviously some depth to this motion, and this does not please all hon. members. Those who are working in this House in order to get re-elected certainly do not like it. This motion does not suit them at all.

Mr. Speaker, in view of the hard times we are going through nowadays, I would say that there is too little understanding, too much disagreement, too little dialogue, too much parading, too little comprehension. At a time when we should be understanding one another in this House, at a time when we should be sharing an educative system in order to rebalance our economy, we just turn our backs and make fun of those people who really have in-depth reforms to suggest in order to rebalance our economy, which is completely unbalanced.

This does not mean that government supporters or administrators are all to blame. I have said this before and I am saying it again: Several of them are in good faith, and working for the common good. However, when you have to work with faulty, outdated tools, even if you do your best, you cannot obtain adequate results.

• (1550)

History should make us friends, economics should make us partners and necessity should make us allies. Nobody should divide two peoples that nature has thus united. Our relations with English-speaking Canadians are becoming more and more essential; they are in the best interests of Canadians. If the situation is somewhat muddled, if there is some confusion in our relations with other ethnic groups, somebody must say so, but in a sensible, normal and scientific manner. We therefore have serious responsibilities.

As to the maintenance of our economic structures, our relations show an unusual decline. Mr. Speaker, we want to see Canadians control their economy, their political life, but we also wish to live in harmony with the other Canadians, regardless of their race, creed, colour or political allegiance.

We are told that our problem is economic, that it must be solved here in Canada through adequate policies; yet, they refuse to discuss those policies. And so, since the end of the last war, the tremendous progress achieved by the nation, by companies, has not prevented under-nourishment, poverty, insecurity and hardships among the vast majority of our people. Economic balance cannot spring from economic imbalance. It is an economic and mathematical point of view that demands economic and mathematical solutions.

Mr. Speaker, all those problems are easy to solve; they are not so colossal. It is a matter of finding the necessary means to solve the economic imbalance we now know. We did not produce that imbalance, we did not create unemployment in Canada, we did not organize the unions or give rise to dissatisfaction.

That dissatisfaction and all those new organizations which spring up overnight are the result of the inability of our governments to give the people what they are entitled to, to develop and take all possible scientific and economic means for the benefit of the people and not to subjugate them.

Financial organizations are subjugating the people who have a power of life or death over the government; it is not the government which must control people, but people who must direct the government and say what means should be taken, if it can not find them, to restore economic balance in order to provide to all a share of our natural wealth.

Mr. Speaker, our economic climate is polluted by our rotten social environment which breeds distrust, hate, dissension and discord among us. The stink of a decaying economy makes us experience the fears of inflation and deflation, financial crises, economic recessions, tightenings of the belt, debts of all kinds, useless direct and indirect taxes and especially continuous interests on swollen figures created with a stroke of the pen.

All this leads to social insecurity. As a reward for the work of past generations, the people, in general, only reap the bitter fruits of unemployment, debts, and sky-high taxes of all sorts.

Even though salaries are going up, they will never satisfy the greedy unions. There must be some order and authority; otherwise, everything will crumble, and we are going to experience here what millions of human beings who have lost their freedom are going through.

We, of the Social Credit, have been saying for 35 years, in every possible way, that the monetary system is strangling us, squeezing us dry. In fact, did Henry Ford not say once: "If the American people realized in what a crooked financial system they are living, they would not tolerate that system another day".

Alleged Decentralization of Policies

We are suffering from monetary anemia. The value of our dollar has decreased by 70 per cent in the last 20 years, and this reduces our purchasing power gradually, when, in fact, it should be increasing with the rise in national production.

The time of the lean kine and the fat kine is no more. We have only the lean kine now, and such a situation is no longer advisable.

Our capitalistic society was born, has grown and has developed. The modern world is going back to paganism, towards inhuman capitalization, where man lives in affluence, but is more and more isolated, being deprived by financial forces.

The Social Credit party wishes to make capitalism more humane, by making a servant of it instead of an exploiter. All tools of capitalism should be available to everyone. Such tools should enable everyone to obtain a vital minimum.

In short, such is the justification for the Social Credit, what makes it different from the old, worn out and dangerous political parties which, for dictatorial reasons, are depriving the citizen with financial weapons over which they do not have ultimate control.

Previous speakers have pointed out the untoward effects of our current situation, the result of banks financing social projects of various governments which in turn leads to the indebtedness of the public, the taxpayers and all governments and to tax increases which mercilessly eat up the low income of plant workers, farmers, blue collar workers, civil servants, in short all the classes of society now in a state of stagnation.

The hon. member for Bonaventure-Îles-de-la-Madeleine (Mr. Béchard) said that if I have been successful in our society, I owe it to the present system. Indeed, I have been successful in this society, but I have worked perhaps fifty times more than he did. If someone succeeds in this system, it can only be at someone's expense. I am human enough to allow myself to live, but I also let other people live. That is why I work.

Mr. Béchard: Everybody does.

Mr. Latulippe: Mr. Speaker, other spokesmen for the Social Credit party have proposed a new finance formula, a sound and logical formula that could only benefit all Canadians. I cannot see why hon. members opposite would not consider our economic arguments to settle the problem and balance our economy in a normal fashion.

• (1600)

Nobody is satisfied with the present economy, because it is out of kilter from A to Z. The governments will be collecting taxes from the people. The hon. member for Bonaventures-Iles-de la Madeleine (Mr. Béchard) had this to say a moment ago: "We paid out social welfare benefits, family allowances; we financed the Opportunities for Youth Program and made, all kinds of payments to the population." But how could they do it? By increasing income tax, and all kinds of other taxes, direct and indirect, and after having accumulated huge deficits. These will be increased to $3 million at the end of 1973 in order to cover social legislation designed to allow people to live decently. But what is still far from being decent, is the piling up of deficits, and these must eventually be paid, and that is what the hon. member does not understand.

Other members of the Social Credit party have brought forward a new financing system a sound formula.

Mr. Speaker, during the few minutes available to me, I want to point out some of the advantages which would result for all of the population from the implementation of the policies set forth in the motion submitted by the hon. member for Champlain.

First and foremost, social needs of CAnadians could be met to the extent allowed by the physical resources of this country. In other words, if there are brains and brawn available, if our resources are plentiful, nothing could prevent from coping with the needs of Canadians in the fields of social projects, education, health, urban renewal, public equipment, at all levels.

I would like to repeat here that we believe education to be a provincial matter. Therefore, we believe that the provinces should be responsible, through school boards, colleges and universities placed under their jurisdiction, and in consultation with bodies representing that sector—i.e., parents, teachers, church and state—for the development of programs which will however, take into account the objectives pursued by society, and the needs of that society.

However, all those educational needs—be they school facilities, vocational training, or comfort of the students—cost a lot of money, and we believe that a formula like the one we are advocating, although it would not solve everything, would at least eliminate the most serious obstacle which at present paralyzes all good will and practically crushes the best initiatives.

The same thing is true of health services. Before you can cure people and prevent illness, you need first of all to have enough institutions to accommodate the sick. You also need doctors and specialists.

There are now medicare and health insurance programs in all provinces of Canada.

Without trying to determine whether those programs are justified or in what manner they should be implemented, the fact remains that all present health insurance programs are faced with financial difficulties.

The difficulties are such that the federal government has almost called upon the provinces to reduce the costs of those programs which get increasingly higher.

We must not forget that the provinces have to face the costs of building hospitals, that they are responsible for the training of competent staff, that they must negotiate with employees who have the right to strike with respect to their salaries and their working conditions. The provinces bear the brunt of those medicare and hospital insurance programs. They face the cost of those programs and they struggle in order to find the money needed to improve health facilities. They must meet exorbitant costs considering the high interest rates they have to pay for the money they borrow on the free market.

This is something the hon. member for Edmonton West (Mr. Lambert) never did and never will understand, I am afraid, because he says one must work to get money. But

where does money come from to pay for labour? To pay for labour, you need investments. Investment money must be borrowed at interest, you must repay the borrowed capital and the interest, which is money that has never been in circulation. This is the reason for the public debt that we now have and that is approaching $46 billion. The cost to each Canadian is approximately $115 to $120 of tax money to pay the interest on the debt. Old parties view this as normal, as good management. They have long had the population believe this but today the people are beginning to realize that there are other means of financing, other means of curbing the increase in those public debts and in taxes which are at the top of the whole economy.

We can no longer levy taxes. Whatever taxes would be levied would not be paid by the citizens because they can no longer afford it. Hon. members, those great economic experts who can solve any problem, are faithful to the system that led us to such stagnation and unbalance. They think they are smart because they follow the beaten path instead of opening new trails and searching for new horizons. Instead of progressing towards real solutions, we are sinking deeper into chaos.

I would like to deal with the social security measures we could improve with a financial system that would be attuned to reality which would not neutralize good will and initiative, but would be reconditioned to give all Canadians at least the strict minimum to which the wealth of their country entitles them.

We think the question to ask is the following: Is Canada wealthy enough, are Canadians able to produce enough to meet the basic requirements of the whole population? If so, why are those needs not met? Simply because the present financial system paralyzes everything, grabs for itself all the wealth, emasculates all efforts.

A financing method which would allow everything physically possible and desirable to materialize would have the effect, Mr. Speaker, to bring hardship and distress to an end for millions of Canadians living below the poverty line.

Mr. Speaker, I would also like to say a few words on the consequences of initiating such a financial system on savings, investments, employment and finally on consumers at large—

Mr. Speaker: It is with much regret that I have to tell the hon. member that his time has expired.

[*English*]

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, in joining in this debate I notice that on this Friday afternoon the Prime Minister (Mr. Trudeau) is not with us.

An hon. Member: Where is your leader?

Mr. Broadbent: I have not yet finished my comment. I realize that many members are away on legitimate business on Friday afternoons and I was about to say that I hope the Prime Minister is not away today making the kind of speech that he made a week ago today when he visited Victoriaville, Quebec. In his quaint, casual, profound way he was informing the people of Victoriaville that we in Canada are embarking upon a new age of leisure; that contrary to what a lot of troublesome, misleading, misguided and misinformed opposition politicians are saying, there really is not an unemployment problem in Canada.

To the people of Victoriaville the Prime Minister said, "Do you realize that in the city of Montreal alone there are 10,000 jobs available for those who want to seek them?" Later in that speech, if reports are accurate, he said, "Things really are not bad in Canada. You know, conditions aren't as bad as they were in the thirties". That is the Prime Minister's standard of comparison: things are not as bad as they were in the thirties. It is interesting that he seized upon the 1930s, because we are not far removed from that period if we consider the absolute number of unemployed.

The speech made by the Prime Minister cannot be taken lightly, or simply dismissed as a somewhat mistaken view or interpretation of what is going on. It must be seen for what it is—a kind of hoodwinking attempt to say that things are not so bad. As someone once said, "That just ain't the case"—because in saying what he said to the people living in that town of Quebec, he left unsaid that for the 10,000 jobs available in Montreal there were in the province of Quebec alone 230,000 unemployed looking for jobs. If the Prime Minister had wanted to be honest and to fully inform the people of this country, in his speech he would have said that there are 16 or 17 people pursuing each job that is available across the country.

This situation compares with the western European average, to be on the generous side, of roughly two people looking for each job that is available. In fact, in Austria, Norway, West Germany and Sweden—countries governed by parties with a social philosophy identical to that of my own—you will find virtually full employment, the highest level of employment in the history of western Europe. That is the kind of point that the Prime Minister finds it convenient to ignore. He is much more interested in talking about the level of inflation of these countries and uttering blithering economic nonsense about how much better off we are because our inflation is not running at the same rate. The Prime minister totally neglects to inform the people of Canada that inflation in itself is not necessarily bad if you do what those countries do to protect pensioners by having fully effective escalator clauses in pension contracts or by getting workers to join trade unions. Something like 85 per cent of the workers in the labour force of those countries are unionized and can therefore deal with an inflating economy. We have something like 35 per cent; therefore it is difficult for us to deal with inflation. But that is the progressive solution: leave this inflation to create full employment; get people into the trade union movement; protect our pensioners. This would be a vital approach to our economy, a sensible one and one which would show a sense of compassion. Perhaps that is why it is not pursued by the Prime Minister.

• (1610)

I share some of the philosophy of my friends in the Social Credit party on the social objective of this debate; that is to say, we must have something to produce real economic benefits for those in our society who are suffering at this time. That is a pretty general objective and to that extent I will be speaking directly on the motion

before us. I should like to suggest four or five practical steps that could be taken right now to bring that about.

The first of these is a change in tax policy which would benefit the vast majority. It is the kind of change that is in complete contradiction of the bill that we will probably be discussing in this House on Monday or Tuesday next which proposes an across the board tax cut of 3 per cent to individuals and 7 per cent to corporations. That kind of tax cut is wrong on the grounds of equity and employment which are the two objectives of a sensible tax policy. The 3 per cent across the board tax cut for individuals means, of course, that millionaires or people with substantial incomes save much more than those with average or low incomes and that is why it is unjust.

An across the board tax cut, of course, is beneficial to a party seeking re-election, especially a party that relies for a good part of its support upon upper-income groups. What we need, instead, is the kind of proposal that I and some other members will be making in the debate next week for a 40 per cent tax cut and to put a ceiling on the amount. In a debate on a similar subject last Christmastime I made a proposal for the introduction of a tax cut of 40 per cent with a ceiling of $40 for the individual. Under the present tax approach of this government, a man earning $30,000 upward will save from $1,000 to $5,000 a year in tax.

Under the government's proposal, a single individual earning $2,000 would save $2.25, a single individual earning $4,000 would save $16.41, and so on. These are paltry sums for low-income people under the so-called tax reform of this government. Having a minimum tax saving of, say $40 for tax payments in Canada would mean something to the low-income people and there would be a ceiling on it so that no one would save more than $40. With the present legislation, upper-income people will save thousands of dollars.

The second practical and just role would be to start hitting the people on the stock market and the land speculators with a full capital gains tax. The government, with all their wisdom and bravado said they were bringing a capital gains tax to Canada but they did not say that we are the only country in the western world, with perhaps the exception of Spain, that has not had a capital gains tax for many years. Instead of bringing it in at the full rate, they brought it in at the 50 per cent rate. Instead of people in the stock market paying tax on a $10,000 gain, these people have an exemption on half their gains. This is completely unjust and inequitable. This kind of thing is responsible for the cynical attitude of low-income people in Canada when they see the fat cats getting fatter by not paying their share of the tax burden. That minimal kind of equity would be desirable both in psychological terms and from the point of view of tax equity.

Another kind of injustice is brought to mind by the $150 exemption to be allowed as work-related expenses. I have heard Liberal politicians say that this is wonderful, that ordinary workmen will be able to claim the expense of driving to work or of purchasing tools without even having to turn in receipts. I do not find this a remarkable or significant innovation. If they had said to the corporate set that a $150 limit per year would be set on their expenses, that would have been fine. But they did not say that. In any big hotel in Toronto or Montreal, and no doubt in Bayshore in Vancouver where Mr. Hughes is currently residing in his attempt to purchase another part of British Columbia, there can be the situation where jet-set executives entertain their clients and write the whole thing off as a business expense.

If a business proposition is involved, the fact that $150 is spent in one night on wine, good food, and so on, is incidental. But that, Mr. Speaker, reveals the hypocrisy which is built into our tax structure. We say to the working people of the country that they will be allowed to claim $150 a year without even producing receipts, and we say to the upper-income people that they can spend $150 a night and claim it as a business related expense. I say this is completely unjust and should be abolished. What is fair for the poor or average man should be fair for the rich man as well, and this just is not the case with the present tax laws.

I should like to go back to the question of the general reduction of taxes with which we will be presented early next week. I made reference to the across the board 3 per cent tax reduction for individuals. I should also like to say something about the 7 per cent reduction in the corporate sector. If it would not bore my colleagues, I could quote economists on this point. The 7 per cent across the board is for many companies simply a windfall profit by which we will allow them to have a little more money this year. If you reduce taxes in the corporate sector, the least that should be done, instead of giving an across the board reduction, is to analyse this reduction to make sure that what you achieve in the corporate sector is what you intend.

• (1620)

What should be done is to have a 7 per cent across the board reduction in every sector of the economy only if at the end of the fiscal year they can show they have increased their labour force and have expanded their enterprise by a certain percentage. That is the motivation that was argued by the minister of finance last fall when he announced the tax reduction. The motivation was to improve the job situation in Canada. If that is the motivation, there should be a rider attached to the tax reduction and no company should receive the tax benefit at the end of this fiscal year unless it has improved the job situation and has expanded employment. With the present legislation there is no such criteria. So, to repeat the point, it amounts to a windfall profit for a good number of companies and achieves no social benefit for the people of Canada.

Secondly, if we are to have significant corporate tax reform it seems to me what we need is a shift in the tax burden from the manufacturing sector to the resource sector. That is the kind of shift that would result in an increased number of jobs. In Canada the resource sector of the economy pays taxes at rates which are roughly, in their final effect, 50 per cent lower than in the manufacturing sector. Again, if the government wanted to create jobs, what it should do is remove this disparity because everyone knows it is the manufacturing sector—the textile mill in Montreal, the auto plant in Oshawa and the few firms which still exist in Mr. Speaker's riding—which employs significant numbers of people. You can have

another oil well in Alberta or in the north, or anywhere else in the country, and it just sits there gurgling away and producing almost no employment.

However, it is the manufacturing sector of the economy, as the former finance minister said when he was in opposition—and that might be significant—which is adversely affected by our tax system. We pour money directly into the resource sector by not taxing it at the same level as we do the manufacturing sector. The result is we have a disproportionate amount of capital investment going into the resource sector and not enough into the manufacturing sector, where it should be. What we need right now, to get back to the motion, is to create a greater sense of fairness. That means greater employment. What we need is a tax increase in the resource sector of the economy which will have, as an effect, the rechannelling of investment into the manufacturing sector.

This government has been quite consistent in its tax policy. It takes great pride in consistency and consistent stupidity. I suppose it would prefer to be consistent rather than make an intelligent and just change. Let me conclude with a practical recommendation. We have now in our foreign reserves almost $6 billion. If we intend to keep our dollar floating, and particularly if we intend to maintain a clean float, as the economists say, there is no need for that little depository of money to simply sit around. A couple of years ago I argued that we should use a good part of the reserves—I believe the amount then was around $3 billion—to buy a controlling interest in the petroleum industry of Canada. I argued that this would make very good economic sense. This is a growth industry, and with control we could carry out our own research and development in Canada by employing Canadian scientists. This would lead to the development of new projects.

Has my time expired, Mr. Speaker?

Mr. Speaker: The hon. member cannot ask a question of the Chair, but I will tell him that his time has expired.

• (1630)

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, in speeches delivered both inside and outside this House the Creditistes have often quoted as an example the building of the Jacques Cartier bridge which everybody knows and which was built according to official figures at a cost of $18,571,308.71. At the present, the taxpayers of this country have paid in interest only for that bridge the amount of $20,198,266.33 and there is still $14,065,605.39 to be paid on the principal.

As we have already said on several occasions, Mr. Speaker, this is dreadful nonsense. A nonsense that the Creditistes undertake to do away with as soon as they have taken over. This should happen soon because the people of Canada have their fill with paying two or three times the actual cost of a product or service they require when it would be possible to build bridges or schools, to carry out various public works without the taxpayers being called upon to pay the cost of two or three bridges when they only get the use of one.

Under the Creditist system, Mr. Speaker, finance is nothing else but facts expressed in terms of accounting. If a production takes place, we write down in the credit column the value of what has been produced. If that production is consumed or destroyed we write down in the debit column the value of what has been consumed or destroyed. Under a creditist regime we would not be asking ourselves questions such as: Do we have the money? Can we pay? Can we borrow? How are we going to pay back?

Has a bridge become necessary? Is a new school being called for? The only question those in charge will have to ask themselves is this, can we build the bridge? Can we build the school that is being called for and needed?

Whether we can build a school or a bridge or not, Mr. Speaker, does not boil down to, do we have the money? It is a matter of, do we have materials, wood, brick, tools, engineers, technicians, workers, to build it?

We, of the Social Credit party, know that the real credit of a country, of a province or of a municipality lies in the productive capacity of that country, that province or that municipality. That is the real credit.

Financial credit should, on the other hand, reflect the real credit. Financial credit should then derive from society itself or rather from a monetary institution which could well be the central bank, which operates on behalf of society and on its instructions. This monetary institution which is only a book-keeping instrument, could well be the Bank of Canada at the national level, or a Quebec institution at that province's level, in case the Quebec government and that of other provinces should take the initiative if Ottawa refused to do so.

But let us assume that the Social Credit party is in power in Ottawa and that the incumbent Postmaster General wants to build a post office somewhere or that the Minister of Transport and Communications wants to put up a bridge between Montreal and the south shore. The ministers concerned would submit their projects to parliament and the members would decide whether they can be physically carried out and whether they meet actual needs. In no way do the members have to ask themselves whether they have the money or not. They only have to consider whether these projects meet actual needs and are physically possible. This means that the members will have to agree if the productive capacity of the country allows it to carry out these projects while still providing the goods required by the private sector. The decision of parliament to allow the construction of a post office or a bridge has nothing to do with any financial concern. In order to reflect realities, finance will have to play its part. The credit board or central bank would have nothing to decide, nothing to dictate with regard to the carrying out of the project. It would merely finance the construction of the bridge and make the required entries in a national ledger.

Let us suppose a $10 million bridge is to be built across the St. Lawrence. In his tender, the contractor would have provided for the expenditures; the purchase of materials, labour, transportation and the cost of money. But where would he get the money to pay his bills from day to day if he is short of cash? From financial institutions, banks, for instance.

Under a créditiste government, the banks would continue to exist, to make loans and give credit. They could lend

money from the savings of citizens, or still obtain interest free credit made available by the central bank, with the only requirement of paying back the whole of the loan over a given period.

But banks being agencies serving the public will have charges, salaries to pay, and they will have to make profits if they are to carry on their operations. Therefore they will ask their make borrowers to pay charges that could be described as interest or service charges. But under a Créditiste government, the essential difference would be that the banks would not grant credit that they could not generate themselves, nor would they appropriate it as though it belonged to them, but they would get it from the Central Bank, depository of the national credit.

Upon completion of the bridge, the government would inspect the works, and if it found it in accordance with the plans and specifications, it would pay to the contractor the sum of 10 million dollars. That amount would include all the contractor's expenses plus his profit, as well as the financial costs he had probably provided for in his bid. But some people may say: The government now owes $10 million to the central bank, since it is the bank that advanced the credits to pay for the building of the bridge. But no, there is no indebtedness. The bridge is wealth newly created by the people, through the work not only of those who helped to build it, but of all those who enabled the contractor and employees to build the bridge by providing food, clothing, tools, etc.

As we do not ask a farmer to pay for the milk he produces on his farm, so we should not have a country run into debt for its own production. If that bridge had been built in the United States, it could be looked upon as a debt to the Americans. But in a realistic system, a public debt, a national debt has no sense and cannot exist except with regard to foreigners, if we received from them in actual goods, material, manpower and services more than we sent them.

Some people may say: "But those $10 million were put in circulation. Are you going to recover that amount through taxes in order to pay for that bridge? Certainly.

• (1640)

I have just said that the people do not have to pay for the construction of the bridge, since they built it themselves, but they have to pay for the use of it, for depreciation, as it deteriorates and depreciates.

As Creditistes say, new production must be financed by new capital, and the retirement of such capital must be done at the rate of consumption, that is at the rate of the disappearance of the wealth that was created and financed.

Let us go back to the comparison with the milk of the farmer. Production should not be paid by him, but rather by the consumer.

In the case of the bridge, it is the public who must pay, not as a producer, but as a consumer.

Let us suppose that the bridge has a life expectancy of 50 years. This means therefore a yearly depreciation of $200,000. So there are those $200,000 which the public will have to pay back to the Treasury office as a tax or as a toll for a period of 50 years. After, whether the bridge is completely out of use or not, payments will end because it is impossible to consume something two or three times. Nobody should be asked to pay for the consumed thing two or three times, not any more than the milk consumer has to pay twice for the milk he buys from the farmer. Only a financial system as preposterous and as dishonest as ours would exact payment two, three times from the population for its acqueducts, its schools, its bridges, its roads, etc.

What would be the results of such a policy? Governments would stop getting the citizens into debt. There would be ne more debts incurred by the country, the provinces, the municipalities and the school boards while the real needs would be met without the government and the citizens having to wonder whether they can affort them, which taxes are to be imposed, whether they should agree to such sacrifices.

They would no longer have to ask themselves such questions, save this one: Is such production called for? Does it meet some needs? With our material means, can we afford to achieve it?

But with what resources would the government's public services be paid for?

Some public services, such as the post office, can very well be paid for by the users, as well as the railways and the expressways.

Others could be paid for by the public at large. I am referring to ordinary roads, national security and administrative services. All citizens benefit from such services as they ensure order and good public management.

However, some services benefit only a certain group of citizens, such as water and sewer systems, sidewalks. In such cases, the cities and municipalities that avail themselves of such services should have the use and depreciation of same paid for by their own citizens.

In brief, it can be said that it is the responsibility of those who benefit from such services to carry the charges not twice or three times, but once.

Mr. Speaker, I should also like to continue my explanation on the financing of public investments by means of interest-free credit made available by the Bank of Canada and to quote statements by Sir Arthur Bryant reproduced in an article entitled *An Alternative to Socialism,* that appeared in *The Illustrated London News* on May 31, 1969.

This text is self-explanatory. And I quote:

[*English*]

What, I believe, is wanted is a total and categorical differentiation between the private and public sectors of the economy. To the former should be restored what it enjoyed before the first application of Socialism at the turn of the century—its ancient monopoly of earning the national income free from government interference in industry and business. Though this would enable the laws of supply and demand to operate once more, with the beneficial result of enabling the efficient to undercut and out produce the inefficient to the all round advantage of the consumer who would benefit by better service and reduced prices, it would not mean the abdication of the state's authority in those matters where state action and monopoly is requisite and beneficial to the community as a whole. Far from advocating a return to the anarchy of nineteenth century untrammeled laissez-faire I would give the state, in its own allocated sphere, far greater power to serve the public good than it at present possesses. In other words, I would

render unto Caesar the things that are Caesar's, while rendering unto the individual economic man the things that are the individual's.

To certain statutory public services I would apply the same principle that governs the administration of the fighting services. The goal set them by Parliament would not be to make them pay in terms of money and take the lead, as at present, in the inflationary spiral by forcing up costs and wages, but to provide essential public services to the community at the lowest possible cost or even free. Instead of such essential public services as postal communications, rail transport, electricity, gas, and water being sold to the public and the private sector of industry and commerce at ever rising prices, they should be provided either free or at a steadily diminishing cost with the deliberate intention of making it easier for private industry and business to operate cheaply and efficiently and of reversing the inflationary spiral both for commerce and the private consumer.

Such public services are at present financed by extracting the cost from the public in the shape of ever-rising taxation—a method of public finance which we are beginning to see is a hundred per cent inflationary in its effect, for every increase of taxation is followed by a comparable or even greater rise in wages and prices, with all the additional attendant costs of revenue-collection, administration, and strikes. Instead, I suggest the wage and other costs of public service would be met by the creation of debt-free money by the Bank of England, the finance available for such increase being based, broadly, on the annual rate of growth or wealth increase earned by the nation's private sector. Heretical and even outrageous as this suggestion must seem to any orthodox financial mind, it would, in fact, be no more inflationary than the present system and probably, because of the immense increase in productive activity stimulated by the release of industry and commerce from the restraining and penalizing hand of the civil servant and tax-collector, far less so in relation to the nation's real wealth and earned income.

The corollary to this would be that those who serve the state to provide essential services to the public would do so, though on a free contractual basis, under the same kind of conditions as soldiers or sailors. They would enjoy special status and privileges, ample pay and pensions, but they would not be permitted, as at present, to hold the public to ransom. Nor would the owners of land, whose ultimate freehold would be vested, as before the seventeenth century, in the Crown. For though those who occupied land, both agricultural and urban, would have security of tenure and be free to develop and improve it, they would not be free to make a financial profit by committing waste or trespassing on its permanent value, beauty, and general use to the nation whose continuing and inalienable property it was. The whole basis of such a revolutionary economy would be the creation and preservation of real wealth, both national and private, as opposed to sterile speculation in money values which, though enriching certain individuals, may impoverish the nation.

Given the immense inertia of accepted habits of thought and the even greater power of vested interests, such a revolutionary but, as I believe, basically conservative policy—for it would conserve the national character and values—is obviously the merest pipe dream. Yet, put into effect, it could give new life and hope, not only to the British people, but to the world.

[*Translation*]

Mr. Speaker, the remarks I have just quoted entirely apply to the Canadian economy. Indeed, not only the Créditistes in this House, but progressive people wherever in the world the current economic system is not serving its purpose, advocate reforms like the ones we have had in this House in the past few years, as well as financial solutions to the present economic system in order to cope with our problems, which cannot be solved in the financial melting-pot which we have experienced in the past and are still experiencing.

Mr. C. A. Gauthier (Roberval): Mr. Speaker, I want to use the 12 minutes or so which are left to say a few words about the motion proposed by the hon. member for Champlain (Mr. Matte).

According to figures already quoted by other Créditistes speakers, the public debt reaches frightening heights in Canada, and the amount keeps increasing as the federal government, provinces and municipalities of Canada run into more and more debt.

In a paper tabled in the House of Commons by the Minister of Industry, Trade and Commerce (Mr. Pepin) on May 4, 1970, statistics show that for the year 1966, the net debt of provinces was $3,260 million; for 1967, the net debt of municipalities amounted to $8,862 million; the debt of Crown corporations was $12,064 million, while that of Canada amounted, in 1968, to $17,336 million.

All in all—the statistics for 1968 and 1969 are not included in those figures—the public debt of Canada amounts to $11,552 billion, which represents a debt of more than $2,000 per capita.

And that is a debt which accrues as fast as the country expands, becomes richer with new products, new plants, new housing, new utilities.

In 1867, the debt of Canada was $75,728,642.

In 1913, before the World War I it was $314,301,625. After the war, it had jumped to $1,514,331,033; 25 years later, namely in 1945, the debt had gone up tenfold to reach $11,298,362,018. In 1960, it was $12,089,194,003, and in 1968, it finally hit $16,759,725,147.

Let us also note that the provinces, the municipalities and school boards are also getting into debt deeper and deeper.

How can that be, when there is more wealth, a greater abundance of goods, a larger number of plants, an increase in population, and when industrialization allows greater and cheaper production?

The answer is simple: it lies in the financial system itself.

The industry that mass produces furniture does not also manufacture the money to buy it; the banks manufacture the money.

The farmer who breeds stock to sell them to the slaughterhouses does not produce the money to buy the meat in food-markets; the farmer who grows potatoes does not also grow money in his field. Money is produced by another "plant", another body. It does not grow in fields or on trees, as one member said a while ago: it springs from the pen of the banker.

However, money is only created provided it yields to the banker who creates it as a loan, a higher amount that the one he lent. This is known as interest. But the banker never advances with his loan the interests accruing therefrom, the refund of which is the condition of the loan.

Consequently, the higher the production, the greater is the volume of manufactured products, the more abundant are the crops, the more fertile is the soil, the more productive are the workers, the more the automatic and electronic equipment is operating quickly to create more goods, the more the government builds roads, bridges, public buildings, schools, the greater are the financial needs to buy that production, the more the bankers are lending

money for the disposal of that production, the higher are the interests to be paid and the total debt.

Is it not possible to completely repay those debts? It might be possible in some isolated cases, but on the whole, it is impossible; it is merely a pure mathematical reasoning.

It is impossible to pay off public debts completely under the present financial system, even with all money now available, for the simple reason that the debtor must always pay back more than he borrowed, and this, because of the interest charged on the loan.

It may happen that the total debts decrease over a certain period if, for instance, bankruptcies cancel debts. But then, factories close down, farms are abandoned, debtors are disowned, there is unemployment and poverty. Debts are only written off at that cost.

But what does happen in the case of governments? Some of them manage sometimes to decrease the public debt. They do this first by taking in taxes more money than they distribute in services or benefits. They may do so still by alienating their resources, by selling them to foreigners, or to industries in this country.

In the first case, it is a question of reimbursing the public debt, by ensuring a favourable trade balance through a larger volume of exports than what we now have. There again, that is a local solution that cannot be applied globally, because all countries cannot at one and the same time have a favourable balance of trade.

As for the sale of natural resources to local industries, so that they may be disposed of on the local or domestic markets, it may enable to pay off a national debt, but the purchase of national resources, or the payment of royalties by industrialists, would compel the latter to include such payments in the price of the finished products sold to the consumers. The latter are the ones who must pay the higher prices. Their taxes are not as high, but they have to pay higher prices.

But then, will it be alleged, how would a Creditiste government curb the increase of the national debt and even reimburse the existing one?

Let us suppose that the government wants to build a bridge across the St. Lawrence between Sorel and Berthierville. The engineers estimate the construction costs at $10 million. The contractor does or does not have the money to build that bridge. So, he borrows the money from the bank and pays interests. He feels that the $10 million contract will bring in enough profits to pay that interest easily.

Once construction is completed, the government takes over the bridge built by the contractor and gives the latter a cheque. But where will the government get the money to pay for the bridge? He will get it from the country's actual credit, which was increased through a $10 million asset. Therefore, if the country has grown richer physically through the acquisition of a $10 million bridge, there is an increase of $10 million in the country's actual credit. And, on the other hand, financial credit should reflect actual credit. Therefore there is no debt in the sense we usually understand the word.

Finance should be a reflection of reality. Physical reality was increased by a bridge worth $10 million; the financial credit should increase by $10 million to reflect such an asset. Therefore there is no debt as far as the people are concerned.

One of the members who spoke earlier explained how the repayment of the credit advance would be made in accordance with the depreciation of the bridge, without the interest being repaid. The bridge wears away every year and is being depreciated. If the depreciation is based on a 20-year period, the citizens will have to repay under one form or another the amount of $500,000 a year because we are talking about consumption. If the bridge depreciates 5 per cent a year, actual credit is reduced by 5 per cent. Since finance should reflect the physical reality, financial credit should be reduced by 5 per cent each year. This is the financial balance advocated by the Social Credit party.

But how would we go about paying back the present public debt? First of all, the Créditistes do not want to repudiate debts honestly contracted by earlier governments. However, they make a distinction between the debt the government owes those who saved and lent their money to the government through bonds, and the debt the government has vis-à-vis the banks who have simply created money by a stroke of the pen in order to pay for their bonds.

So, a Créditiste government would ask the bearers of bonds to assert their rights. If a holder has in fact paid for his bond he would continue to receive interest right up to its due date; if a holder has acquired a bond by a stroke of the pen, another stroke of the pen would immediately cancel that debt. Since the banks hold at least 20 per cent of public debts these would be immediately reduced in that proportion, as would the interest to be paid.

As to bonds held by true savers they would be redeemed upon maturity. A person holding a bond of $1,000—

Mr. Deputy Speaker: Order. It being five o'clock, it is my duty to inform the House that, pursuant to Standing Order 58(11), debate on the motion is over.

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